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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

Renewal of Prevention of Terrorism Act

Following an independent review the Government is to place legislation on the prevention of terrorism on a permanent basis, though its provisions will be subject to annual renewal by Parliament.

This decision was announced on 16 February during a House of Commons debate on an Order renewing the Prevention of Terrorism (Temporary Provisions) Act 1984 for a further 12 months from 22 March until its expiry in 1989. The Order was supported by 261 members and opposed by 162.

Background

The first Prevention of Terrorism (Temporary Provisions) Act was passed as an emergency measure in 1974 in response to an intensive terrorist campaign by the Provisional IRA in Northern Ireland and in Great Britain (see pp 456-7, 1974). In 1975 a new Bill was introduced to give Parliament the opportunity to debate the provisions in more detail and this became the Prevention of Terrorism (Temporary Provisions) Act 1976.

Under the 1976 legislation the Home Secretary or the Secretary of State for Northern Ireland was empowered to make exclusion orders against people involved in terrorism connected with Northern Irish affairs to prevent them entering Great Britain, Northern Ireland or the United Kingdom as a whole. It gave the police powers to arrest without warrant a person suspected of involvement in terrorism and to detain that person for up to 48 hours or, on the direction of the Secretary of State, for a period of five more days. It also provided for security control over travellers at ports and for the proscription of terrorist organisations, and made it an offence to withhold information about terrorist acts. In recognition of the exceptional nature of these powers, the Act was subject to annual renewal by Parliament.

The Prevention of Terrorism (Temporary Provisions) Act 1984 retained the power to exclude from Great Britain, Northern Ireland or the United Kingdom persons whom the Home Secretary or the Secretary of State for Northern Ireland is satisfied are or have been concerned in the commission, preparation or instigation of acts of terrorism connected with Northern Irish affairs. A citizen of another country may be excluded from the whole of the United Kingdom, an alternative to deportation under the 1971 Immigration Act (see p 147, 1971). A British citizen may only be excluded from either Great Britain or Northern Ireland and then only if he or she has not been ordinarily resident in that part of the United Kingdom throughout the immediately preceding three years. Representations against the making of an exclusion order may be made within seven days of the order being served. If, within that period, the subject of the order consents to his or her removal from the relevant region representations can be made within 14 days of removal. Representations are considered by an adviser appointed by the Secretary of State.

The 1984 Act also extended the special police powers of arrest and detention to alleged international terrorists. These allow the police to arrest and detain for up to 48 hours without a warrant and the Secretary of State is given discretion to authorise flexible periods of detention for up to a further five days, provided that the period so authorised does not exceed five days.

The 1984 Act has a life of five years and is subject to annual renewal by Parliament.

Lord Colville's Review

Wide-ranging reviews of the operation of the legislation took place in 1978, 1983 and 1987, in addition to the regular annual reviews made by independent persons.

In April 1987 Lord Colville of Culross QC was invited to review the operation of the 1984 Act and his report, intended to assist the Home Secretary, the Government and Parliament in their consideration of future legislation, was published in December 1987.[1] Lord Colville also made annual reviews of the Act in 1986 and 1987.

In his review Lord Colville points out that since 1984 there has been no sign that international terrorism has been abating. As an extension of disputes between the Sikhs and others in India, there have been 12 serious crimes in England, including arson attacks on Hindu temples, the murder of one moderate Sikh and a plot to assassinate the Indian Prime Minister during a visit to Britain in 1985. About 20 terrorist incidents relating to the Middle East have taken place over the same period (see pp 160-2, 1984, and 350-1, 1986).

As for Northern Ireland, the number of deaths attributable to terrorism there from 1984 to 1987 was 272. On the mainland five people were killed by terrorists in a bomb explosion in Brighton during

[1] *Review of the Operation of the Prevention of Terrorism (Temporary Provisions) Act 1984.* Cm 264. HMSO, £6-80. ISBN 0 10 102642 0.

the 1984 Conservative Party Conference (see pp 363-4, 1984). There have also been a number of trials in Great Britain of people charged with terrorist offences such as murder, conspiracy to cause explosions, possession of firearms and conspiracy to supply explosives and firearms.

Lord Colville therefore concludes that legislation 'should continue to apply to people reasonably suspected of involvement in terrorism and to people travelling through ports and airports in the United Kingdom'. He recommends that the 'core controls be enacted into fully permanent legislation, albeit with a system for annual reviews to ensure that they are being operated commensurately with the level of the current threat'.

On the detention powers, Lord Colville says that the power to arrest a person on reasonable suspicion of being, or having been, concerned in the commission, preparation or instigation of acts of terrorism has no adequate substitute in tne ordinary criminal law and is still needed. The safeguards developed for other criminal investigations and charges should, however 'be aligned and adapted as far as possible to arrests and detentions of suspected terrorists'. To this end Lord Colville suggests that the Police and Criminal Evidence Act procedures governing reviews and authorisation of continued detention should be applied to the first 48 hours of detention under the 1984 Act and to examination beyond 12 hours.[1] Custody records should be a requirement for all detentions under prevention of terrorism legislation and should detail reasons for continuing the detention or examination following each review. Moreover, notes Lord Colville, any deferral of a detainee's rights to consult a solicitor should also be regularly reviewed.

On the exclusion powers, Lord Colville accepts that they are exercised in a fair and reasonable manner but believes that the ends do not justify the means and that the powers should not be renewed, in the interests of human rights in Britain and the reputation of the United Kingdom in the international community.

Lord Colville recommends that Section 10 of the 1984 Act banning the raising of funds for the promotion of Northern Irish terrorism should be extended to cover terrorism connected with international affairs.

PARLIAMENTARY DEBATE

Home Secretary's Speech

Moving approval of an Order to renew the 1984 Act for a further 12 months (*Hansard*, Vol 127, No 96, cols 925-49), the Home Secretary, Mr Douglas Hurd, told the House of Commons on 16 February that there were still threats from terrorism to British citizens arising not only from the affairs of Northern Ireland but also from those of the Middle East and the South Asian sub-continent. In Northern Ireland some 93 people had been killed by Republican or Protestant paramilitary groups in 1987 and memories of the outrage in Enniskillen (see p 396, 1987) remained vivid. Total vigilance was necessary since the Government had no doubt that the Provisional IRA continued to plan further death and destruction on the mainland. The threat from international terrorism, too, could not be ignored; during 1987 there had been six murders in Great Britain attributable to international terrorism – three members of an Indian religious group, two opponents of the Iranian Government and a Palestinian journalist.

Lord Colville had accepted the continuing need for legislation against terrorism and had recommended that the core controls should be enacted into permanent legislation, but with a continuation of the existing system of annual reviews. The Government was therefore proposing that the new Act to replace the 1984 legislation would have no limit on its timespan but that its powers would be renewed each year by Parliament either in whole or in part, thereby allowing provisions that no longer appeared necessary to be dropped. Because of the exceptional powers contained in the legislation, its operation would continue to be scrutinised by an independent person.

Noting that the people of Northern Ireland suffered more from terrorism than people elsewhere in the British Isles, Mr Hurd stressed that it was overwhelmingly in their interest as well as in that of citizens of the Irish Republic and all Irish people in Great Britain that terrorism should be checked and crushed. Although it was inevitable that the powers needed for that purpose would occasionally bear on innocent people, they were there for the protection of the citizen against the oppression of terrorists.

In replacing the current Act the Government would implement Lord Colville's recommendation that the principal port powers given to the police in the Order and the comparable Northern Ireland Order should be incorporated into primary legislation. Such powers were important and deserved full consideration by Parliament. The Government was not convinced, however, that these powers should be extended to cover ports handling traffic outside the common travel area between the United Kingdom and the Irish Republic, since these ports were covered by controls provided by the 1971 Immigration Act. The Government was also examining the feasibility of bringing procedures for those detained under the Prevention of Terrorism (Temporary Provisions) Act closer to those for people detained under ordinary police powers, as long as the police investigation was not jeopardised.

The Government did not accept that the power of exclusion should be abolished. Although the Government disliked the use of executive power to inhibit free movement of a person within his or her country, it was not the time to give up this power which was used sparingly.[1] If the power was abandoned, lives would be placed in jeopardy. All applications for exclusion were carefully scrutinised, three independent people advised the Government on these matters, and not all applications were accepted.

On the issue of fund-raising for international ter-

[1]Under the Police and Criminal Evidence Act 1984 (see pp 397-9, 1984) a person can be detained in England and Wales only if, and for as long as, necessary for a purpose specified by law up to a maximum of 96 hours before charge; a person can be detained beyond 36 hours only if a warrant is obtained from a magistrates' court. Reviews must be made of a person's detention (whether before or after charge) – six hours after initial detention and thereafter every nine hours as a maximum – to check whether the criteria for detention are still satisfied. If they are not the person must be released immediately.

[1]The total number of exclusion orders in force at the end of 1987 was 111 in Great Britain and 23 in Northern Ireland.

rorism, Mr Hurd said that it was wrong that contributions could be made in Britain to international terrorist organisations and the Government was considering Lord Colville's proposals carefully.

The Home Secretary said that the points he had outlined would be incorporated in the Bill that the Government would introduce to replace the current Act when it expired in 1989.

Concluding, Mr Hurd stressed that the Order was a preventive measure and that powers contained in the 1984 Act were exercised carefully with regard to their impact on the liberty and the rights of the individual. 'We are clear that those powers must continue to remain throughout the United Kingdom if we are to conduct and succeed in a serious and sustained fight against terrorism.'

Opposition Views

Criticising the Government's proposals, the Opposition home affairs spokesman, Mr Roy Hattersley, said that the Government was recommending permanent legislation which would enable men and women to be held without charge and denied access to solicitors and to be subject to internal exile. The original law had been a reaction to the Birmingham bombings in 1974 and would not have passed through the House if members had thought it would ever become a permanent feature on the statute book. In 1987 a total of 113 people had been detained on suspicion of Northern Irish terrorism, yet only ten had been charged, the vast majority being innocent under the law. The Act's powers were inappropriate to a free society and were a handicap in the fight against terrorism. Exclusion orders treating Northern Ireland as a depository for terrorists were wholly inconsistent with the principle that the province was part of the United Kingdom. They also encouraged terrorism there and the IRA propaganda machine.

The Liberal spokesman, Mr Alex Carlile, said that he had reluctantly concluded that it was justified to renew the Act for another year. As for permanent legislation, Mr Carlile argued that a permanent and exceptional removal of civil rights could not be tolerated, since rights and freedoms of the citizen had to be permanent and any derogation from them temporary. Although anti-terrorism legislation was needed in the short term, the time had come to develop it within the framework of the Anglo-Irish Agreement with both the British and Irish Parliaments jointly enacting it.

Terrorism and Northern Ireland

The House of Commons, by 233 votes to 134, has approved the renewal of emergency powers in Northern Ireland designed to assist the security forces to deal with terrorism. The debate took place on 25 February and 1 March. Three identified Provisional IRA terrorists were shot dead in Gibraltar on 6 March following the discovery of a plot to place a bomb in the territory.

Background

Under the Northern Ireland (Emergency Provisions) Act 1978 the security forces have the power to stop and question, arrest, enter, search and seize. It also provides the authority to proscribe organisations and creates offences concerning the collection of information that might be useful to terrorists, training people in the manufacture or use of firearms or explosives for improper purposes, and displaying public support for proscribed organisations. These provisions are subject to annual renewal by Parliament.

The 1978 Act also provides the legal authority for the operation of the so-called 'Diplock courts' by which serious terrorist offences are tried by a single judge sitting without a jury.

Under the Northern Ireland (Emergency Provisions) Act 1987 (see pp 3-4, 1987), all emergency arrest powers and searches of dwellings and of people other than in a public place require 'reasonable grounds for suspicion'. The maximum period for which the police can hold a suspected terrorist, on their own authority, was reduced from 72 hours to 48 hours. The 1987 Act also introduced a statutory right for persons arrested under Section 12 of the Prevention of Terrorism Act 1974 – the main arrest power used in connection with terrorism in Northern Ireland (see p 87) – to have someone notified of their arrest and whereabouts and to have access to legal advice. In addition the Act gave the authority to impose statutory time limits on pre-trial stages of proceedings. The Act also placed the onus in applications for bail in certain cases on the prosecution rather than the defence, and the court may declare as inadmissible any admissions it thinks have been obtained by the use or threat of violence.

Both the 1978 and 1987 Acts will lapse in 1992; if similar provisions continue to be necessary they will have to be re-enacted by means of a new Bill.

The first year of operation of the 1987 Act was reviewed by Lord Colville at the request of the Secretary of State for Northern Ireland, Mr Tom King. Lord Colville concluded that the Act was being used with 'due reflection, moderation and common sense' and that the courts interpreted the emergency legislation 'most strictly in favour of the liberty of the subject'.

Parliamentary Debate

Opening the debate on 25 February (*Hansard*, Vol 128, No 102, cols 473-96), Mr King said that the 1987 Act had been a major piece of legislation, its purpose having been to refine further the emergency powers and to try to improve yet again 'on that delicate balance between protecting the rights of individuals caught up in such situations and avoiding handicapping the security forces' fight against terrorism'.

The Government regretted the need for emergency powers but, faced with the current situation in Northern Ireland, believed that they were essential. Although the levels of violence in 1987 were below the worst levels of the 1970s, there had been an unwelcome increase. There had been 93 deaths in 1987 and ten already this year. All that the terrorist campaign produced was sorrow, grief, unemployment, the obstruction of normal life and extra problems for the community which had to protect itself

against this 'evil violence' by every means at its disposal.

Mr King pointed out that the terrorist threat had been enhanced by the outside intervention of substantial arms resources on a scale hitherto unparalleled in the terrorist campaign in Northern Ireland. These supplies, provided by Libya, posed a dangerous and difficult problem and brought into focus the outstanding courage and dedication of everyone in the security forces. A great deal was owed to the Royal Ulster Constabulary (RUC) which had achieved major successes against the threat with which it had been faced. In the past five months alone there had been five major arms finds. The Irish Republic's Garda had also helped to prevent the possibility of appalling carnage and suffering in Northern Ireland; there had been two major arms finds in the Republic, there had been co-operation with the Irish Government and the supply line of weaponry had been revealed. These efforts and those of the security forces and the attraction of the greatest possible support of the community in Northern Ireland were vital components of the effective response against terrorism.[1]

Concluding, Mr King said that the 1978 and 1987 Acts ensured that the security forces could 'effectively discharge their responsibilities to the community and provide the maximum protection against terrorism' while seeking 'to strike a delicate balance between that maximum protection and the rights of the individual'.

Opposition Views

The official Opposition spokesman on Northern Ireland, Mr Kevin McNamara, said that the Opposition had supported the 1987 legislation because of the minor improvements made. The legislation, however, continued to provide for too high a proportion of trials without a jury and to allow extraordinary powers of search and detention by the Army. Moreover the 1987 measure to limit the time spent on remand before trial had yet to be implemented. The Opposition remained concerned about the renewal of a counter-productive and anti-civil-libertarian piece of legislation.

Speaking on 1 March (*Hansard,* Vol 128, No 105, cols 881-997), the Liberal Party spokesman, Mr David Alton, said that British policy should not consist of the endless renewal of emergency provisions but of a long-term political strategy clearly agreed and supported by Britain and the Irish Republic and by Nationalists and Unionists alike.

TERRORIST PLOT IN GIBRALTAR

Three identified terrorists were shot dead by security forces in Gibraltar on 6 March following the discovery of a plot to place a bomb in the territory. On 9 March Spanish police in Marbella located a car connected with the terrorists and containing 140 pounds of explosive and two timing devices set to go off at 11.20 am, which would have coincided with the Gibraltar changing of the guard ceremony. The car's spare wheel cavity was filled with bullets for AK-47 assault rifles.

[1]Since the beginning of 1987, the security services on both sides of the border have recovered 807 firearms, some 18,000 lbs of explosives and nearly 180,500 rounds of ammunition.

Giving details of the incident to the House of Commons on 7 March (*Hansard,* Vol 129, No 109, cols 21-5), the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that two of the people shot had a previous criminal record of terrorist activity and that the Provisional IRA had since admitted that the three were members of an active service unit.

Sir Geoffrey said that another known terrorist, under surveillance by the Spanish authorities, had recently crossed into Gibraltar and was thought to have carried out a reconnaissance for an act of terrorism connected with the Gibraltar guard mounting ceremony carried out on Tuesdays. The Gibraltar police were subsequently placed on high alert and the police commissioner asked for military assistance.

Shortly before 1 pm on 6 March, continued Sir Geoffrey, one of those subsequently shot brought a white Renault car into Gibraltar and was seen to park it in the area where the band for the guard mounting ceremony assembled. Before leaving the car, he was seen to spend some time making adjustments in the vehicle. An hour and a half later, the two other terrorists were seen to enter Gibraltar on foot and shortly before 3 pm they joined the third terrorist in the town, their presence and actions near the parked Renault car giving rise to strong suspicion that it contained a bomb, which appeared to be corroborated by a rapid technical examination of the car.

After the three had left the scene at 3.30 they were challenged by the security forces on their way towards the border. 'When challenged, they made movements which led the military personnel operating in support of the Gibraltar police to conclude that their own lives and the lives of others were under threat. In the light of this response, they were shot.' Those killed had subsequently been found to be unarmed and the parked car was dealt with by a military bomb explosion team which discovered that it did not contain an explosive device.

Inquiries by the Spanish authorities had matched keys found on one of the bodies with a Ford Fiesta car, subsequently found on the Spanish side of the border, which contained three false passports and items of equipment including insulating tape, electrical screwdrivers, a number of pairs of gloves, wire and an alarm clock. A key was also found for a third car and the search was continuing for this and for explosives.

Noting that the suspect Renault had been parked in the area in which the band of soldiers would have formed for the Tuesday parade, Sir Geoffrey observed that a school and an old people's home were both close by. Had a bomb exploded in the area, soldiers and a large number of civilians could well have been killed or injured. There was no doubt that a 'dreadful terrorist act' had been prevented and the three people killed had been actively involved in the planning and attempted execution of that act.

Concluding, Sir Geoffrey thanked the Spanish authorities for their invaluable assistance and emphasised that this co-operation underlay once again the importance of international collaboration in the fight against terrorism.

Funeral Shooting Incident

At the funeral of the three people in Milltown ceme-

tery in Belfast on 16 March, a man opened fire with a handgun and threw grenades among the mourners. Three people were killed and 68 injured. The police arrested two men.

In a statement to the House of Commons on 17 March (*Hansard*, Vol 129, No 117, cols 1241-1251), the Secretary of State for Northern Ireland, Mr Tom King, said that before the funerals the Roman Catholic Church, local politicians and community leaders had appealed for the occasion to be orderly and without violence. Against this background, and in the trust that neither the families nor the community wished to see any exploitation of the funerals for paramilitary purposes, the police had avoided intervention in a private and solemn occasion and the funerals had proceeded in a peaceful way until the attack took place. This outrage had served only to underline the total futility of violence in all its forms. 'It was an obscenity that an occasion which, whatever its origins, should have been one for private mourning and grief was brutally and savagely interrupted by such an attack.'

Royal Ulster Constabulary

The Government has announced an inquiry to consider whether disciplinary charges should be brought against certain officers of the Royal Ulster Constabulary in connection with three shooting incidents that took place in 1982. A new system for the investigation of complaints against the police came into effect in February.

1982 INCIDENTS

Background

In November and December 1982 six people were killed and one person seriously wounded by members of the Royal Ulster Constabulary (RUC) in three separate shooting incidents in County Armagh. The circumstances of each shooting were investigated and the results submitted to the Director of Public Prosecutions for Northern Ireland for his consideration and decisions.

In the case of an incident in Craigavon in which three people were killed, the Director ordered that three members of the RUC should be prosecuted for murder. They were subsequently tried and acquitted. A member of the RUC was also tried for murder and acquitted regarding an incident in Armagh in which two persons were killed. The Director concluded that the evidence did not warrant criminal proceedings in the third case when one person was killed and another seriously wounded in Lurgan.

Having considered the evidence and information in the files initially submitted, the Director requested further investigations to be undertaken. When the results were reported to the Director he concluded that material and important facts had been omitted from some of the original statements, and that these had included some untrue and misleading material.

On 11 April 1984 the Director requested the RUC Chief Constable, Sir John Hermon, to ascertain and provide full information about the circumstances in which false or misleading evidence was provided by RUC members. He also asked him to see whether there was evidence to suggest that any person was guilty of an offence of perverting, or attempting or conspiring to pervert, the course of justice, or of any other offence in connection with the investigation of the three shooting incidents. In May, Sir John appointed the Deputy Chief Constable of Greater Manchester police, Mr John Stalker, to conduct an investigation. An interim report was delivered to Sir John by Mr Stalker in September 1985 and in February 1986 this report, with Sir John's observations, was passed to the Director of Public Prosecutions who decided that further investigations should be undertaken. In May 1986 responsibility for the investigation was taken over by the Chief Constable of West Yorkshire police, Mr Colin Sampson, who delivered reports in October 1986, March 1987 and April 1987 to the RUC Chief Constable and the Director of Public Prosecutions.

Attorney General's Statement

Reporting to the House of Commons on 25 January (*Hansard*, Vol 128, No 102, cols 21-32), the Attorney General, Sir Patrick Mayhew, said that, having considered all the facts and information provided by Mr Stalker and Mr Sampson as well as the original RUC investigation files, the Director of Public Prosecutions had concluded that the evidence did not warrant any further prosecutions in respect of any of the three incidents. He had considered these conclusions and agreed with them. The Director had concluded, however, that there was evidence of the commission of offences of perverting or attempting to pervert the course of justice or of obstructing a constable in the execution of his duty, and that this evidence was sufficient to require consideration of whether prosecutions were required in the public interest. Sir Patrick added that the Director had consulted him on this point.

The Attorney General said that he had taken steps to acquaint himself with all the relevant circumstances, including matters concerning the public interest and considerations of national security that could properly affect the decision whether or not to institute proceedings. He had then informed the Director about these consultations as to the public interest and, in the light of all the facts and information brought to his notice, the Director had concluded – with his full agreement – that it would not be proper to institute any criminal proceedings.

The Director, concluded Sir Patrick, had arranged to discuss with the Chief Constable and Deputy Chief Constable of the RUC safeguards to ensure that, in the future, facts and information reported to the Chief Constable should be full and accurate, whether or not any security interest was involved.

Secretary of State's Statement

In a statement to the House of Commons on 17 February (*Hansard*, Vol 127, No 96, cols 977-96), the Secretary of State for Northern Ireland, Mr Tom King, said that the question of further action had to be considered in the context of disciplinary proceedings. The Chief Constable had, therefore, invited the Chief Constable of Staffordshire, Mr Charles Kelly,

to see whether disciplinary charges should be brought in the case of RUC officers of chief superintendent rank and below and, if so, what charges would be appropriate. Since the Police Authority for Northern Ireland was the disciplinary authority for the more senior ranks, it would consider observations made by Mr Sampson on the role played by certain officers in them.

Commenting on the 1982 incidents, Mr King said that two major issues were involved, namely the procedures and practices, including those of the RUC Special Branch, followed in police work arising from anti-terrorist operations in Northern Ireland; and the procedures governing investigation of all serious incidents, including the need to give full and accurate information to the Director of Public Prosecutions. These questions went to the heart of the problems faced by a police force using the normal processes of the law while fighting a vicious and ruthless terrorist enemy. Because intelligence was the lifeblood of this fight, it was vital for it to be protected. 'Moreover, knowledge of even the procedures used by Special Branch and other RUC officers will not only make their task still more difficult, but it will put lives at even greater risk. That is why the security forces are understandably and rightly so committed to protecting intelligence. But the lessons of those incidents show clearly that that desire must not operate outside effective accountability and control.'

Mr King said that in the light of Mr Stalker's interim conclusions and Mr Sampson's comments on them, a special inspection of procedures, responsibilities and control within the RUC had been carried out by Mr Charles McLachlan, one of Her Majesty's Inspectors of Constabulary, whose report had been received on 25 January. On the question of the Special Branch being a 'force within a force', Mr McLachlan's report had made it clear that since 1984, the RUC Special Branch and the Criminal Investigation Department (CID) had answered to the same senior assistant chief constable, a development recommended by a 1983 review into certain aspects of Special Branch management and its relationship with the CID. Regional assistant chief constables were now aware of the operations of the Special Branch within their respective areas and Mr McLachlan had made a number of recommendations designed to ensure the highest standard in the selection and training of members of the Special Branch, the prevention of over-specialisation, the encouragement of cross-posting within the RUC and with other police forces and the further integration of the Branch with the other parts of the force.

Turning to the procedures for the investigation of serious incidents involving RUC officers, Mr King said that the central issue was that the policies and practices of the RUC should reflect 'the paramountcy of the CID investigations, including the need for evidence to be preserved and for no obstacle to be placed in the way of questioning of suspects and witnesses'. Mr McLachlan considered that the combined responsibility for both CID and Special Branch made an important contribution to the proper handling of such inquiries. He had also stated that the RUC Chief Constable should consider whether an experienced assistant chief constable from another force should be appointed to lead an investigation, and that an experienced senior CID officer should attend any debriefing in cases where firearms had been used by the RUC and people killed or injured. Mr McLachlan had also recommended improved arrangements at the scene of such incidents to ensure that forensic, pathology and photographic resources were used to best effect. In addition discussions were being held between the RUC and the Director of Public Prosecutions over safeguards to ensure that in the future facts and information given to the Director were accurate in all respects, whether or not any security interest was involved. All Mr McLachlan's recommendations had been accepted in principle by the Chief Constable.

Mr King said that shortly before one of the 1982 incidents, two RUC officers, unarmed and in an unmarked car, had been given approval to cross the border into the Irish Republic for observation purposes. It was, however, wrong and regrettable that this had occurred and it was the Government's intention that it should not happen again, and the Chief Constable had undertaken to ensure that it would not.

Concluding, Mr King said that the 1982 incidents and the subsequent events illustrated sharply the acutely difficult problems faced by a parliamentary democracy and the police service in combating the evil of terrorism. Serious mistakes had undoubtedly been made and the reputation of the RUC damaged: 'This is a particular tragedy for a police force of the courage and professionalism of the RUC today, who have given ample recent evidence of their commitment to protecting the whole community from violence from whatever extreme it may come, and who fully deserve the tributes that Mr Stalker, Mr Sampson and Mr McLachlan all pay to them. We owe it to them and to the whole community in Northern Ireland to ensure that these matters . . . are dealt with promptly and correctly, that the wider lessons have been fully learnt, and the necessary changes effected to ensure that such problems can never happen again.'

Irish Government View

Addressing the Dail on 17 February, the Irish Taoiseach, Mr Charles Haughey, expressed concern about the Attorney-General's statement and said that the Stalker-Sampson report should be published. He also stated that the decision not to prosecute RUC officers identified in the report against whom there was evidence of wrongdoing should be explained and the decision reconsidered. In addition the Irish Government wanted a full report on the 'covert' operation by members of the Northern Ireland security forces within the Republic. On the RUC, Mr Haughey described the casualties it had suffered as appalling and recognised the determined efforts made by the force in recent times to apply more even-handed policies which had secured a level of acceptance for it. Recent decisions on the Stalker-Sampson report had done much to undermine this acceptance and were not in the ultimate interest of the RUC itself.

Mr Haughey emphasised the Republic's determination and resolve to defeat the men of violence and to maintain democracy and the rule of law. It

was right and necessary for the Garda to commit resources to ensure that the forces of terrorism would not prevail and this effort was in the common interest of society in the North and South of Ireland.

NEW POLICE COMPLAINTS SYSTEM

The new Independent Commission for Police Complaints for Northern Ireland, which has extensive supervisory powers in relation to complaints made against members of the Royal Ulster Constabulary (RUC), came into being on 29 February.

Established under the Police (Northern Ireland) Order 1987, the Commission, which replaces the Police Complaints Board, is required to supervise any case involving death or serious injury and has the power to supervise the formal investigation of any other complaint if it so wishes. In any supervised case, the Commission is able to approve or disapprove the choice of investigating officer and direct that he be appointed either from within the RUC or from another British police force. In addition it has the power to direct the investigating officer as to the conduct and scope of the investigation and to ask for progress reports. Where necessary the Commission may direct an inquiry to follow a particular course and request the investigating officer to carry out a more searching examination of points already considered. At the conclusion of an investigation the Commission has to state to the complainant whether it has been carried out satisfactorily. The Commission is able to receive complaints directly from the public.

Unlike its counterpart in England and Wales, the new complaints procedure is supplemented by measures giving the Secretary of State for Northern Ireland and the Police Authority powers to direct the Commission to supervise the investigation of matters that are not the subject of a formal complaint but which indicate that a member of the police force may have committed a criminal or disciplinary offence in cases which affect or appear to affect the public interest.

Responding to a written parliamentary question on 29 February (*Hansard*, Vol 128, No 104, written answers, col 394) the Secretary of State for Northern Ireland, Mr Tom King, said: 'An effective complaints system which has the confidence of the community can make a significant contribution towards strengthening the relationship between the public and the RUC. In this way the police will be better placed to combat terrorism and to maintain the rule of law.'

Fair Employment in Northern Ireland

New legislation is to be introduced to ensure that all employers in Northern Ireland practice positive equality of opportunity in employment.

Details of the proposals were outlined by the Secretary of State for Northern Ireland, Mr Tom King, in a written parliamentary answer on 2 March (*Hansard*, Vol 128, No 107, written answers, cols 619-20) and at a press conference in Belfast. The Government plans to publish a White Paper on the proposals in the late spring and legislation is to be introduced at the earliest possible opportunity.

The proposals are a response to a report issued in 1987 by the Standing Advisory Commission on Human Rights. The Commission recommended that action should be taken to eliminate inequalities in employment opportunities (see p 344, 1987).

The Proposals

Under the proposals, drawn up after wide consultations with interested parties including employers' organisations and trade unions, all employers in Northern Ireland would be required to practice equality of opportunity. All public sector employers and all private sector employers with more than ten employees (25 for an initial period) would be required annually to monitor the religious composition of their workforce. Failure to do so would be a criminal offence and employers not meeting their obligations would not normally be eligible for Government grants and contracts.

Employers would be enabled to undertake affirmative action programmes designed to give underrepresented groups better access to employment and training opportunities. The Fair Employment Agency would be strengthened and restructured and its educational, promotional and investigative functions concentrated in a new Fair Employment Commission which would inherit the Agency's assets, staff and experience. The Commission would audit the monitoring returns compiled by employers who would have to be registered with the Commission, and it would investigate employment practice and patterns. The Commission would also be empowered to issue legally enforceable directions and to support and assist individual complainants financially.

One of the Commission's first major tasks will be to draw up, in consultation with interested parties, a new Code of Practice to guide employers on specific affirmative action and on applying the merit principle. The Code would be subject to Government and legislative approval and would be taken into account in legal proceedings. Until the Code is introduced, the Government will draw on the current Guide to Effective Practice (see pp 311-12, 1987).

Individual complaints of alleged religious discrimination would be dealt with by a new and separate tribunal using similar procedures to those governing employment matters in the existing industrial tribunal structure. There would be a right of appeal to the Court of Appeal on points of law. In pattern and practice cases the Commission would be able to seek binding orders from the tribunal, and in the event of an order not being obeyed, there would be provision for application to the High Court for the exercise of its contempt jurisdiction; the High Court would be able to impose committal penalties and/or unlimited fines.

At a press conference in Belfast on 2 March, Mr King said that it was the Government's firm belief that appointments to jobs should always be on the basis of merit: 'But for the merit principle to operate

properly, it is essential that there should be no unnecessary obstacles in the way of any applicant being considered on merit. Employers must open out their recruitment process to the widest possible range of applicants. Under-represented groups must be given a full and fair opportunity to compete for employment.'

Fair Employment Support Scheme

Under a new Fair Employment Support scheme launched at the Belfast press conference on 2 March, consultants paid by the Government give help to firms to review and update their existing personnel policies and procedures to ensure that they are operating in a way that promotes equality of opportunity in employment. It is intended to encourage employers to adopt the recommended practice set out in the 1987 Guide to Employment Practice, the key features of which are systematic and objective recruitment procedures, religious monitoring, and selection on the basis of merit. The scheme is open to private sector firms which have 25 or more employees.

Shorter Notes

LAUNCH OF THE SOCIAL AND LIBERAL DEMOCRATS

A new political party – the Social and Liberal Democrats (SLD) – was launched on 3 March. Formed from a merger of members of the Liberal and Social Democratic Parties, following the results of ballots of the members of both parties, the SLD is represented in the House of Commons by 19 MPs – 17 former Liberals and two former Social Democrats. At present the SLD has a joint leadership: the former leader of the Liberal Party, Mr David Steel, MP, and the former leader of the SDP, Mr Robert Maclennan, MP. Elections for a single leader will take place in June.

The Liberal Party, which traces its origins to the eighteenth century, and the Social Democratic Party, which was formed in 1981 (see p 88, 1981), entered into an electoral alliance in September 1981, contesting the general elections of 1983 and 1987 with a joint programme and parliamentary candidates offering themselves as Alliance candidates who, if elected, would sit in the House of Commons as members of their respective parties. In the 1987 general election the Alliance returned 22 Members of Parliament – 17 Liberals and five Social Democrats.

A separate Social Democratic Party (SDP) continues to exist, being formed of those SDP members who opposed the merger. It is represented in the House of Commons by three MPs who chose not to join the new party. On 8 March the SDP elected Dr David Owen, MP, as its leader. Dr Owen was formerly leader of the party from 1983 to 1987.

MANAGEMENT REFORMS IN THE CIVIL SERVICE

Government proposals to change the way in which the Civil Service manages certain executive services, as distinct from policy advice, were announced by the Prime Minister, Mrs Margaret Thatcher, in the House of Commons on 18 February.

Following the recommendations of a report on the progress of management reforms in the Civil Service,[1] the Prime Minister said that the Government planned to set up agencies within departments, each with its own executive, to deliver certain services. The chief executive would be responsible for managing day-to-day operations within a framework of policy objectives and resources set by the appropriate departmental minister, in consultation with the Treasury. Each agency would be accountable to a minister who would in turn be accountable to Parliament for the agency's performance. Agencies would generally be within the Civil Service and their staff would remain civil servants. The Government would be launching a progressive programme for the establishment of these agencies and would also be further improving training and career development for civil servants. The Prime Minister said that the whole purpose of the proposed changes was to reply to the desire of many people in the Civil Service for more responsibility and the wish of the Government to have an organisational arrangement that would increase efficiency and the effective use of resources.

The initial list of 12 bodies proposed for establishment as agencies includes: Her Majesty's Stationery Office (Paymaster General's Office); Employment Services (Department of Employment); Passport Department (Home Office); Driver and Vehicle Licensing Directorate (Department of Transport); Meteorological Office (Ministry of Defence); Non-nuclear Research Establishments (Ministry of Defence); Royal Parks (Department of the Environment); Historic Royal Palaces (Department of the Environment).

Sources: *Hansard,* Vol 127, No 97, cols 1149-56; Prime Minister's Office press notice, 18.2.88.

[1] *Improving Management in Government: The Next Steps* (a report by the Government's Efficiency Unit), HMSO, £3·90, ISBN 0 11 430026 7.

North Atlantic Treaty Organisation Summit Meeting

At a meeting in Brussels on 2 and 3 March, heads of Government of the 16 members of the North Atlantic Treaty Organisation reaffirmed the need for the establishment of a balance of conventional forces in Europe, the global elimination of chemical weapons, and reductions of United States and Soviet land-based, shorter-range nuclear missiles. They also reconfirmed their policies of strong defence, in which nuclear and conventional forces would continue to be kept up to date where necessary, and dialogue with the Soviet Union and its Warsaw Pact allies. In addition, the Alliance called in a separate document for negotiations on further confidence- and security-building measures and for conventional stability at lower levels of armaments.

British Views

Reporting on the meeting to the House of Commons on 4 March (*Hansard*, Vol 128, No 108, cols 1279-80), the Prime Minister, Mrs Margaret Thatcher, said that there had been important changes affecting the Alliance since the last North Atlantic Treaty Organisation (NATO) summit meeting in 1982 (see pp 231-3, 1982). These included the signing of the Intermediate Nuclear Forces (INF) Treaty, the prospect of an agreement to reduce strategic arms by 50 per cent (see p 10), and possible changes in the Soviet Union's external policies, especially the very welcome decision to withdraw Soviet forces from Afghanistan (see p 103).

At the same time, the Soviet Union had not let up its extensive military modernisation programmes, including the replacement of its strategic forces by new or modernised systems, the deployment of new submarines, and the modernisation of short-range nuclear missiles with the more accurate SS21 system, as well as the launching of more than 90 military vehicles into space in 1987. The Soviet Union had the world's largest nuclear and chemical arsenals while the Warsaw Pact enjoyed substantial superiority over NATO in conventional forces.[1]

In view of this, Mrs Thatcher explained, NATO countries had to come together, to take stock of the situation, and to set guidelines for future action. Britain had clear objectives for these:

—to underline the continuing importance of the NATO Alliance to the defence of the West;

—to confirm NATO's unity and resolve in the face of Soviet attempts to separate Europe from the United States and to denuclearise it;

—to reaffirm the validity of NATO's strategy of flexible response and the consequent need to keep all its weapons up to date;

—and, with the forthcoming visit of the US President to Moscow for a US-Soviet summit, to confirm NATO's priorities in arms control.

These objectives were fully and satisfactorily achieved at the Brussels meeting, beginning with a strong reaffirmation of the vital link between the security of Europe and of North America. The meeting recognised 'the crucial role of the nuclear deterrence provided not just by the US strategic deterrent but also by the presence of effective and up-to-date nuclear weapons in Europe'. The Alliance further reaffirmed its willingness, based on confidence in its defence, to seek dialogue with the Warsaw Pact countries, and a desire for additional arms control agreements, in particular on chemical and conventional weapons. Any further reductions in nuclear weapons after an agreement on strategic weapons, she emphasised, would come about only in conjunction with the establishment of conventional balance and the global elimination of chemical weapons. She added: 'It is quite clear that NATO is determined to avoid a third nuclear zero.'

Mrs Thatcher concluded that the summit meeting, convened as a result of a British initiative, had successfully reinforced NATO's basic message of defence, deterrence and dialogue: 'It underlined NATO's commitment to keep all our weapons, both conventional and nuclear, up to date in order to ensure that deterrence remains effective and that our defences are strong enough to convince any aggressor that he could not prevail. It is on the basis of such a sure defence that we are able to welcome the reforms that are taking place in the Soviet Union and to enter into further negotiations to reduce the level of weaponry on both sides.'

NATO STATEMENTS

The following statements (slightly abridged) were issued by the 16 NATO members after the summit meeting on 3 March.[1]

[1]The Warsaw Pact's superiority over NATO (including France and Spain) is of 3 to 1 in main battle tanks, 3·4 to 1 in artillery, 1·8 to 1 in tactical aircraft and 1·4 to 1 in manpower. In the key area of central Europe, the rates in favour of the Warsaw Pact are 2·14, 3·07, 2·12 and 1·22 to 1 respectively.

[1]The 16 NATO members are Belgium, Britain, Canada, Denmark, the Federal Republic of Germany, France, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey and the United States. France, Iceland (which has no military forces) and Spain do not participate in NATO's integrated military command structure.

DECLARATION

A Time for Reaffirmation

We, the representatives of the sixteen members of the North Atlantic Alliance, have come together to re-emphasize our unity, to assess the current state of East-West relations, to review the opportunities and challenges which lie ahead, and in so doing:

—to reaffirm the common ideals and purposes which are the foundation of our partnership;

—to rededicate ourselves to the principles and provisions of the Washington Treaty of 1949;[1] [and]

—to reassert the vital importance of the Alliance for our security, and the validity of our strategy for peace.

The Purposes and Principles of our Alliance

Our Alliance is a voluntary association of free and democratic equals, united by common interests and values. It is unprecedented in its scope and success. Our security is indivisible. Our Alliance is dedicated to preserving peace in freedom and to collective self-defence, as recognised by the United Nations Charter. None of our weapons will ever be used except in response to attack.

Our concept of a balanced security policy as set out in the Harmel Report [see p 12fn] *has successfully stood the test of time. It remains valid in its two complementary and mutually reinforcing approaches: political solidarity and adequate military strength, and, on that basis, the search for constructive dialogue and co-operation, including arms control. The ultimate political purpose of our Alliance is to achieve a just and lasting peaceful order in Europe.*

The security in freedom and the prosperity of the European and North American Allies are inextricably linked. The long-standing commitment of the North American democracies to the preservation of peace and security in Europe is vital. The presence in Europe of the conventional and nuclear forces of the United States provides the essential linkage with the United States strategic deterrent, and, together with the forces of Canada, is a tangible expression of that commitment. This presence must and will be maintained.

Likewise, a free, independent and increasingly united Europe is vital to North America's security. The credibility of Allied defence cannot be maintained without a major European contribution. We therefore welcome recent efforts to reinforce the European pillar of the Alliance, intended to strengthen the transatlantic partnership and Alliance security as a whole.

The Atlantic Alliance cannot be strong if Europe is weak.

Our aim will continue to be to prevent any kind of war or intimidation. By maintaining credible deterrence the Alliance has secured peace in Europe for nearly forty years. Conventional defences alone cannot ensure this; therefore, for the foreseeable future there is no alternative to the Alliance strategy for the prevention of war. This is a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up to date where necessary.

While seeking security and stability at lower levels of armaments, we are determined to sustain the requisite efforts to ensure the continued viability, credibility and effectiveness of our conventional and nuclear forces, including the nuclear forces in Europe, which together provide the guarantee of our common security. Taking into account the structure of the Alliance, each of us undertakes to play his part in this joint endeavour in a spirit of solidarity, reaffirming our willingness to share fairly the risks, burdens and responsibilities as well as the benefits of our common efforts.

We seek a just and stable condition of peace in which the sovereignty and territorial integrity of all states are respected and the rights of all individuals, including their right of political choice, are protected.

We want gradually to overcome the unnatural division of the European continent, which affects most directly the German people. We will continue to uphold the freedom and viability of Berlin and to support efforts to improve the situation there.

The search for improved and more stable relations with the Soviet Union and the other countries of Eastern Europe is among our principal concerns. We call upon these countries to work with us for a further relaxation of tensions, greater security at lower levels of arms, more extensive human contacts and increased access to information. We will continue the effort to expand co-operation with the East wherever and whenever this is of mutual benefit.

East-West Relations: The Way Ahead

We have noted encouraging signs of change in the policies of the Soviet Union and some of its allies. This creates the prospect for greater openness in their relations with their own peoples and with other nations. We welcome such progress as has been already achieved in certain areas. But we look beyond pronouncements for tangible and lasting policy changes addressing directly the issues dividing East and West.

However, we have to date witnessed no relaxation of the military effort pursued for years by the Soviet Union. The Soviet Union persists in deploying far greater military forces than are required for its defence. This massive force, which the Soviet Union has not refrained from using outside its borders, as is still the case in Afghanistan, constitutes a fundamental source of tension between East and West. The steady growth of Soviet military capabilities, as it affects every region of the Alliance, requires our constant attention.

We will continue to be steadfast in the pursuit of our security policies, maintaining the effective defences and credible deterrence that form the necessary basis for constructive dialogue with the East including on arms control and disarmament matters.

To meet our security needs in the years to come will require ever greater efficiencies in the application of our scarce resources. We are therefore determined to expand our practical co-operation in the field of armaments procurement and elsewhere.

[1]This Treaty established the North Atlantic Alliance.

In this context we recognise the challenges to our industrially less advanced Allies and the need to address them through mutual assistance and co-operation.

Arms control is an integral part of our security policy. We seek negotiations not for their own sake but to reach agreements which can significantly reduce the risk of conflict and make a genuine contribution to stability and peace. We shall work together vigorously and on the basis of the closest consultation to this end.

Our representatives to the North Atlantic Council continue actively the further development of a comprehensive concept of arms control and disarmament as directed in the Statement of our Ministers at Reykjavik in June 1987 [see pp 230-2, 1987].

The recently concluded INF [Intermediate Nuclear Forces] *agreement between the US* [United States] *and the Soviet Union is a milestone in our efforts to achieve a more secure peace and lower levels of arms* [see pp 9-11]. *It is the impressive result of the political courage, the realism and the unity of the members of the Alliance. The treaty's provisions on stringent verification and asymmetrical reductions provide useful precedents for future agreements. We look forward to its early entry into force.*

Consistent with their security requirements, the fifteen Allies[1] *concerned will make use of all possibilities for effectively verifiable arms control agreements which lead to a stable and secure balance of forces at a lower level. For them, the comprehensive concept of arms control and disarmament includes:*

—a 50% reduction in the strategic offensive nuclear weapons of the US and the Soviet Union to be achieved during current Geneva negotiations;

—the global elimination of chemical weapons;

—the establishment of a stable and secure level of conventional forces, by the elimination of disparities, in the whole of Europe; [and]

—in conjunction with the establishment of a conventional balance and the global elimination of chemical weapons, tangible and verifiable reductions of American and Soviet land-based nuclear missile systems of shorter range, leading to equal ceilings. . . .

The resolution of East-West differences will require progress in many fields. Genuine peace in Europe cannot be established solely by arms control. It must be firmly based on full respect for fundamental human rights. As we continue our efforts to reduce armaments, we shall press for implementation on the part of the governments of the Soviet Union and of other Eastern [European] *countries of all of the principles and provisions of the Helsinki Final Act and of the Madrid Concluding Document* [see pp 325-8, 1983]. *We support the continuation and strengthening of the CSCE* [Conference on Security and Co-operation in Europe] *process. It represents an important means of promoting stable and constructive relations on a long term basis between countries of East and West, and, moreover, enhances closer and more fruitful contacts between peoples and individuals throughout Europe. We call upon all participating states to make every effort for an early conclusion to the CSCE follow-up meeting in Vienna with a substantial and balanced final document* [see pp 347-9, 1986].

We agree that the speedy and complete withdrawal of Soviet troops from Afghanistan and the effective restoration of that country's sovereignty would be of major significance. It is against these criteria that we shall assess General Secretary Gorbachev's recent statements [see p 103].

We hope that at their forthcoming summit in Moscow President Reagan and General Secretary Gorbachev will be able to build upon the progress achieved at their Washington meeting last December. We strongly support the efforts of the United States. These fully accord with our consistent policy to seek, through high-level dialogue, early and substantial progress with the Soviet Union on a full range of issues, including greater respect for human rights, arms control, a lessening of regional tensions, and improved opportunities for bilateral contacts and co-operation.

Reflecting upon almost four decades of common endeavour and sacrifice and upon the results achieved, we are confident that the principles and purposes of our Alliance remain valid today and for the future. We are united in our efforts to ensure a world of more secure peace and greater freedom. We will meet the opportunities and challenges ahead with imagination and hope, as well as with firmness and vigilance. We owe no less to our peoples.

CONVENTIONAL ARMS CONTROL: THE WAY AHEAD

The Present Realities

The Soviet Union's military presence in Europe, at a level far in excess of its needs for self defence, directly challenges our security as well as our hopes for change in the political situation in Europe. Thus the conventional imbalance in Europe remains at the core of Europe's security concerns. The problem is to a large extent a function of the Warsaw Pact's superiority in key conventional weapon systems. But it is not only a matter of numerical imbalances. Other asymmetries are also important, for example:

—the Warsaw Pact, based on the Soviet Union's forward-deployed forces, has a capability for surprise attack and large-scale offensive action; the Allies neither have, nor aspire to, such a capability;

—the countries of the Warsaw Pact form a contiguous land mass; those of the Alliance are geographically disconnected;

—the Warsaw Pact can generate a massive reinforcement potential from distances of only a few hundred kilometres; many Allied reinforcements need to cross the Atlantic;

—the Warsaw Pact's military posture and activities are still shrouded in secrecy, whereas those of Allied countries are transparent and under permanent public scrutiny.

These asymmetries are compounded by the dominant presence in Europe of the conventional armed forces of the Soviet Union. They represent 50 per cent of all the active divisions in Europe between the Atlantic and the Urals. This Soviet conventional superiority and its military presence in other Eastern

[1]Greece recalled its position in nuclear matters.

European countries serve a political as well as a military function. They cast a shadow over the whole of Europe.

Conventional arms control is not merely a technical corrective to a self-contained problem. It should be seen in a coherent political and security framework.

A Political and Security Framework

We reiterate our conviction that military forces should only exist to prevent war and to ensure self defence, not for the purpose of initiating aggression and not for the purposes of political or military intimidation. Our ability to prevent every kind of war, nuclear or conventional, rests on our capacity and determination to deter any form of aggression. All the Allies' military resources are designed to contribute to that objective. This approach is shared alike both by those Allies who belong to the integrated military organisation and by those who do not.

The relationship between nuclear and conventional forces is complex. The existence of a conventional imbalance in favour of the Warsaw Pact is not the only reason for the presence of nuclear weapons in Europe. The countries of the Alliance are, and will remain, under the threat of Soviet nuclear forces of varying ranges. Although conventional parity would bring important benefits for stability, only the nuclear element can confront a potential aggressor with an unacceptable risk; therefore, for the foreseeable future deterrence will continue to require an adequate mix of nuclear as well as conventional forces.

Hence the determination of our nations to ensure defence preparedness as a means of achieving the stability we seek. We will continue to ensure that our military forces are effective and up-to-date, in particular by:

—continued compliance with the principle of shared risks and responsibilities and acceptance of the priorities essential to the strengthening of our defence capabilities;

—provision of adequate defence expenditure, together with efforts to obtain the greatest return on our defence investment;

—closer co-operation designed to remedy key deficiencies and, in this context, support for recent legislative and other initiatives designed to foster co-operation in the area of conventional armaments, especially research, development, production and procurement; [and]

—helping to meet the needs of the less advantaged Allies in strengthening their conventional defences, thus redressing important existing deficiencies.

It will be important that defence and arms control policies remain in harmony in order to ensure their complementary contribution to the security of the countries of the Alliance. In framing their negotiating proposals for conventional stability, the Allies will ensure that the continued requirement for deterrence and defence is not prejudiced; accordingly they will neither make nor accept proposals which would involve an erosion of the Allies' nuclear deterrent capability.

Security in Europe involves not just military, but also political, economic and, above all, humanitarian factors. We look forward to a Europe undivided, in which people of all states can freely receive ideas and information; enjoy their fundamental human rights; and determine their own future. Allied forces are stationed outside their national territory to protect these values and to uphold the solidarity of our free Alliance. They cannot therefore be equated with Soviet forces stationed in Eastern Europe. A just and lasting peaceful order in Europe requires that all states enjoy relations of confidence with their own citizens; trust them to make political or economic choices of their own; and allow them to receive information from and exchange ideas with citizens of other states.

Conventional arms control talks should be guided by a coherent political vision which reflects these values. It was their adherence to this vision which enabled the Allies to secure a successful outcome to the Stockholm Conference [see pp 317-19, 1986]. *It is these same considerations that have led the Allies to decide that both the negotiations which they have now proposed, on conventional stability, as well as those on confidence and security building measures, will be undertaken within the framework of the CSCE process.*

Those on confidence and security building will involve all 35 CSCE signatory states and will have as their objective to build upon and expand the results of the Stockholm Conference; the agreement reached there marked a significant step towards reducing the risk of war in Europe. Fully implemented over time, it would create more transparency and contribute to greater confidence and predictability of military activities in the whole of Europe. The momentum generated by Stockholm must be maintained.

At the same time we are conscious of the specific responsibility of the 23 members of the two military alliances in Europe whose forces bear most directly on the essential security relationship in Europe. Hence our decision that distinct and autonomous negotiations on conventional stability should take place between the 23 States.

The adoption of mandates for both of the negotiations must be part of a balanced outcome to the Vienna CSCE Follow-up Meeting, which necessitates substantial progress in all areas of the Helsinki Final Act.

The Allies' Objectives

In accordance with the principles of our approach to conventional arms control, as set out in the Brussels Declaration, our objectives in the forthcoming conventional stability negotiations will be:

—the establishment of a secure and stable balance of conventional forces at lower levels;

—the elimination of disparities prejudicial to stability and security;

—and, as a matter of high priority, the elimination of the capability for launching surprise attack and for initiating large-scale offensive action.

This latter capability is the most worrying in relation to the seizure of territory by an aggressor. Its essential ingredient is the forward deployment of conventional forces capable of rapid mobility and

high firepower. Tanks and artillery are among the most decisive components, though other elements of combat capability could prove to be similarly significant. Manpower is also important. But not all items of equipment are appropriate for limitation, if only for technical reasons, and manpower alone is an imprecise guide to offensive capability.

Our aim will be to establish a situation in Europe in which force postures as well as the numbers and deployments of weapon systems no longer make surprise attack and large-scale offensive action a feasible option. We shall pursue this aim on the basis on the following criteria:

—we need to enhance stability in the whole of Europe from the Atlantic to the Urals; and to do so in a way which, while safeguarding the security of all Allies, takes account of the concentrations of Warsaw Pact forces and the particular problems affecting the Central, Southern and Northern regions;

—in seeking to eliminate the ability to conduct large-scale offensive action, we shall focus on the key weapon systems;

—we shall propose provisions dealing with stationed forces, taking account of the weight of forward-deployed Soviet conventional forces; we shall also take into consideration capabilities for force generation and reinforcement;

—equal number or percentage reductions by both sides would not eliminate the disparities which threaten stability in Europe. Our proposals will concentrate instead on results and residual entitlements;

—our goal is to redress the conventional imbalance. This can be achieved through a set of measures including, inter alia, *reductions, limitations, redeployment provisions and related measures as well as the establishment of equal ceilings;*

—this outcome will require highly asymmetrical reductions by the East and will entail, for example, the elimination from Europe of tens of thousands of Warsaw Pact weapons relevant to surprise attack, among them tanks and artillery pieces;

—reductions of combat-decisive equipment and modification of the Soviet forward deployment posture will only be part of our approach to reducing the risk of conflict. As a concurrent element in any effort to enhance stability and security, we shall also propose measures to produce greater openness of military activities throughout Europe, safeguard the maintenance of lower force levels, and support a rigorous, effective and reliable monitoring and verification regime.

—this monitoring and verification regime will need to include the exchange of detailed data about forces and deployments; and the right to conduct sufficient on-site inspections to provide confidence that agreed provisions are being complied with.

The Way Ahead

Early agreement on a conventional stability mandate, as part of a balanced outcome to the Vienna CSCE Follow-up Meeting . . ., would be an important step forward. We seek the elimination of the conventional imbalances which so threaten stability and security in Europe. We also seek enhanced respect for human rights and fundamental freedoms on which lasting security and stability ultimately depend.

The European Community

The European Council, meeting in a special summit in Brussels on 11-13 February, has settled the European Community's budgetary provisions, which had been left unresolved at the regular summit meeting in Copenhagen in December 1987. Britain was represented at the summit by the Prime Minister, Mrs Margaret Thatcher, who reported back to the House of Commons on 15 February, and by the Foreign and Commonwealth Secretary, Sir Geoffrey Howe. Also on 15 February the Home Secretary, Mr Douglas Hurd, spoke on the implications for frontier control of the Community's plans to introduce a single internal market by 1992.

EUROPEAN COUNCIL

At the Fontainebleau summit in 1984 (see p 248, 1984), the first steps were taken to reform the Community's system of financial controls, particularly by reducing the high cost of the Common Agricultural Policy (CAP). In practice, however, expenditure on the CAP has risen sharply, from £9,000 million in 1984 to £19,000 million in 1987, with over half the Community's total budget spent on the storage and disposal of agricultural surpluses. Reform of the budget and the CAP was the principal topic discussed at the adjourned European Council summit in Copenhagen in December 1987 (see p 398, 1987). Britain has long called for tighter curbs on Community spending, especially on agriculture, and for the reduction of surpluses.

Prime Minister's Statement

In her statement to the House of Commons on 15 February (*Hansard*, Vol 127, No 94, cols 705-17), Mrs Thatcher gave details of the outcome of the Brussels meeting, which she said had 'concluded a major and far-reaching review of the Community's finances and policies'. Britain had made clear from the outset, first, that any further increase in Community resources would have to be accompanied by effective and legally binding controls on expenditure; second, that there would have to be effective measures to reduce agricultural surpluses and bring supply and demand more into balance, principally through automatic price penalties on individual commodities; third, that there should be no oils and fats tax; and finally, that Britain was determined to preserve the system of abating its own budgetary contribution agreed at Fontainebleau in 1984, which had already saved the country some £3,000 million over the previous three years. All of these objectives, said the Prime Minister, had been achieved.

Agriculture

On agriculture, Mrs Thatcher explained that the Community was now introducing 'stabiliser measures' to control both output and spending.

Although detailed arrangements varied from one agricultural commodity to another, the central concept of stabilisers was an automatic cut in the Community-guaranteed price for a commodity if agreed production levels were exceeded. In cereals, where the annual production threshold for the next four years had been set at 160 million tonnes (8 million tonnes below the harvest expected in 1988), there would be price cuts of 3 per cent a year, applying to the entire crop, so that if harvests continued to exceed the threshold there would be a 12 per cent price cut by the fourth year. More severe measures had been adopted to curb the increase in Community production of oilseeds: the guarantee threshold for 1988 had been set at 4·5 million tonnes, against a forecast harvest of 6·3 million tonnes, which would probably mean a price cut of 8 per cent this year, with larger cuts in the following years if production still continued to rise. Agreement on stabilisers for a further eight commodities had been postponed until the meeting of the Community's Foreign Affairs Council on 22 February (see below). The Council had accepted Britain's insistance that all of these controls should be in a legally binding form.

To complement the stabiliser arrangements, and further discourage overproduction, the Council had agreed to a 'set-aside' scheme to take agricultural land out of production. In order to qualify for support under the scheme, farmers would have to set aside at least 20 per cent of their arable land for a minimum of five years.

In order to improve overall control of the CAP, tighter controls on agricultural spending had been agreed. The guideline limit for spending in 1988 was £19,000 million, and this would be maintained in four ways.

First, in future the European Commission's price proposals would have to be consistent with the guideline. Second, the general provision for extra expenditure in 'so-called exceptional circumstances' had been eliminated. In future a limited financial reserve would be established specifically to cover the effects on trade in agricultural products caused by significant variations in the exchange rate between the dollar and the European Currency Unit (ECU).[1] Third, the cost of depreciating and disposing of existing surplus agricultural stocks would be financed separately, but within the overall budget, and new stocks would be depreciated systematically as they were established. Fourth, it had been agreed that the guideline would rise at a significantly lower rate than the total resources available for Community expenditure. The new rate would be three-quarters of the rate of growth of Community gross national product (GNP), thus in time reducing the proportion of Community expenditure taken up by agriculture.

Structural Funds

The Prime Minister said that the Council had completed its review of the level of the Community's regional, social and agricultural structural funds, and agreed that commitments to these should increase annually by 1,300 million ECU (about £900 million) a year from 1989 to 1992, which she said was equivalent to a total increase of about 80 per cent over 1987, and would permit doubling of the resources channelled to less developed regions within the Community. Particular provision was being made for a programme of industrial modernisation in Portugal.

Community Resources

There would be an increase in resources available to the Community, to be expressed in future in terms of Community GNP rather than Value Added Tax (see p 233, 1987). The Community's own-resource ceiling for the twelve member states would be 1·2 per cent of GNP, an increase of 25 per cent over the current figure, and this ceiling would remain in force until at least 1992. The cost to other member countries of Britain's abatement would be outside this ceiling.

Britain's Contribution to the Community

Mrs Thatcher reminded the House that one of Britain's key objectives throughout the budget negotiations had been to retain the Fontainebleau agreement in full, and the Council had agreed that it should remain intact as long as the new agreements on Community resources. In practice, Britain's gross contribution would remain less than 1·2 per cent of GNP. The decisions that had been reached would now be translated into firm and legally binding texts, and only when those texts had been agreed would the Government recommend to the House the new level of own resources.

The Prime Minister believed that more effective control of Community farm spending would benefit consumers (through lower prices) and farmers (through greater certainty about future market conditions), and the way was now clear for the Community to concentrate on its most important goal: the creation of a genuine single market by 1992.

Foreign Affairs Council

The Community's Foreign Affairs Council met at Brussels on 22 February, when the new stabiliser arrangement for eight non-arable products agreed at the Copenhagen summit was formally established. In addition to the stabilisers placed on cereals, oilseeds and proteins as a result of the European Council meeting at Brussels, and those already existing for olive oil and cotton, agreements were now endorsed regarding stabilisers for sugar, wine, fruit and vegetables, tobaccos, milk, sheepmeat and goatmeat.

At a press conference in Brussels on 22 February, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that the meeting marked a crucial advance in the long debate on the future financing of the Community, and left the way clear to place its finances on a stable long-term footing, progressively freeing more of its resources for non-agricultural purposes and enabling it to give full attention to the completion of the single internal market.

[1]The ECU is a 'basket' of European Community currencies backed by major European banks, and traded on the international exchanges. The financial reserve consists of up to 1,000 million ECU (about £690 million), to be used in the event of exchange rate variations with an effect on the Community's budget of over 400 million ECU (about £280 million).

INTERNAL MARKET

The Home Secretary, Mr Douglas Hurd, addressed the American Chamber of Commerce in London on 15 February on the subject of frontier controls in the European Community after the internal market comes into effect in 1992.

Mr Hurd said that Britain was wholly committed to the creation of a strong and dynamic political and economic European Community, and fully endorsed the creation of a Europe in which people could move and trade freely. The aim was to establish a unified internal market by the end of 1992, defined as 'an area without internal frontiers in which the free movement of goods, persons, services, and capital is ensured'. A very large number of measures was required to achieve this, including the dismantling of frontier controls and the co-ordination of rules on asylum and refugee policy, visa policy, and immigration from third countries. There were also practical issues of immigration control, action against terrorism, illicit trafficking in drugs, and the movement of legal, as well as illegal, firearms to be considered. There were differences between Britain and other member states about the means of achieving the free movement of people and goods, but not about the end itself. The Single European Act stated that none of the provisions for an internal market should affect the right of member states to take measures thought necessary to combat terrorism, crime and the traffic in drugs.

Britain placed a great deal of reliance on frontier controls as an instrument for protecting public safety, whereas other countries with extensive land borders relied much more on internal controls such as identity cards or hotel checks. There were no grounds for supposing a move to greater reliance on such internal controls would be as effective in Britain, even if Parliament or the public could be persuaded that this was acceptable. The practical advantages of Britain's present system of controls were that it allowed speedy establishment of entitlement to enter the country; individual examination helped to identify people using forged or fraudulent documents and to deter attempts to enter on such papers; and the control led to the detection of known criminals, terrorists and drug traffickers seeking to enter Britain.

Mr Hurd said that time was needed to prepare the way for the necessary mutual adjustment. Britain was pressing ahead with the simplification and streamlining of entry controls for European Community nationals, and had already taken the first steps in April 1987 by introducing selective passport checks on British and other European Community nationals leaving Britain. The Government now aimed to reduce paperwork and form filling for Community nationals entering the country, and a provision to this effect was contained in the Immigration Bill now before Parliament (see pp 395-6, 1987). Mr Hurd said he would like to see immigration officers allowed greater discretion in the amount of checking and questioning done on Community passengers, and it was hoped to arrive as soon as possible at a situation where the vast majority of nationals of Community countries simply had their passports or identity cards checked for identification purposes.

Britain was also actively promoting co-operation between member states in such work as combating terrorism; and in 1986 the other members of the Community had endorsed a British proposal to set up a working group to study immigration (see p 349, 1986). There had been closer co-operation on issues such as forged travel documents. But some system of frontier checks would remain necessary, especially for nationals of countries outside the Community. 'Our aim must be to strike a balance between the citizen's right to travel freely and the right of individual member states to safeguard their people against the entry of terrorists and other criminals and to maintain effective control of immigration from outside the Community.'

In the longer term, Britain was looking at ways of moving towards a Community Common Travel Area, such as that which Britain had already with the Republic of Ireland. But major practical difficulties had to be overcome before this could form the basis of all controls, for the Community's external controls would have to be far stronger than they were today.

British-Soviet Relations

Arms control and disarmament, bilateral issues, regional problems and human rights were among subjects covered in a speech given by the Foreign and Commonwealth Secretary in Moscow during a three-day visit to the Soviet Union in February.

The Foreign and Commonwealth Secretary, Sir Geoffrey Howe, visited the Soviet Union between 14 and 17 February, and had meetings with the Soviet Communist Party General Secretary, Mr Mikhail Gorbachev, and the foreign minister, Mr Eduard Shevardnadze. He also saw other Soviet ministers from the foreign economic commission and the science and technology state committee, and reaffirmed with them their commitment to achieve a goal of a 40 per cent increase in trade by 1990. On 15 February Sir Geoffrey and Mr Shevardnadze signed an agreement which is designed to facilitate co-operation in the fight against the international drugs trade. In addition, Sir Geoffrey's proposal for a British-Soviet working group which would deal with human rights on a systematic and regular basis was accepted. Mr Gorbachev accepted an invitation to visit Britain.

Foreign and Commonwealth Secretary's Speech

During a speech given in Moscow on 15 February in the presence of Mr Shevardnadze, the Foreign and Commonwealth Secretary said that the West was entitled to ask whether a more open and prosperous Soviet Union, which may follow the policy of restructuring (*perestroika*) and the new thinking now being undertaken there, was likely to be a greater or lesser threat to the West's way of life and security. A simple answer would be that a more open, predictable, trustful and prosperous Soviet Union should be less of a focus for tension and

conflict, but the West would be more happy if there was concrete evidence of this in Soviet external policy.

Sir Geoffrey said that the Intermediate Nuclear Forces Treaty (see pp 9-11) was an excellent example of what could be achieved through negotiation. This treaty was important not only because of the number of missiles and warheads that would be eliminated but because it showed that arms reductions were possible, that unequal reductions could be accepted where that was necessary to achieve balance, and that verification was vital and achievable without any threat to national security.

Strategic Arms Control

The West had a clear agenda for action on arms control, Sir Geoffrey continued, beginning with nuclear weapons. The superpowers had to tackle the massive overkill of their strategic offensive forces and that was why Britain fully supported the objective of a 50 per cent cut in their strategic arsenals. The British Government also welcomed the progress made in the strategic arms reductions talks (START) at the 1987 Washington summit, and hoped that an agreement could be reached in 1988 which would enhance strategic stability. It did not believe that any artificial linkage with the Strategic Defence Initiative (SDI) should be allowed to stand in the way of that agreement, especially as Mr Gorbachev himself had confirmed that the Soviet Union had its own research programme into ballistic missiles defence.[1] What was needed now, he believed, was a greater measure of predictability, so that neither side was caught by surprise by new developments. 'Predictability brings security', he emphasised.

Conventional Arms Control

Few areas of arms con trol had proved more intractable than conventional weapons, Sir Geoffrey pointed out. After over 15 years of negotiations at the mutual and balanced force reductions in Europe (MBFR) talks without significant progress, there was a fresh opportunity in the conventional stability talks (see p 231, 1987) to reduce to safe and balanced levels the conventional forces of each side, from the Atlantic to the Urals.[2]

Conventional arms control went to the heart of Western Europe's security concerns. People in the West saw not only a Warsaw Pact which was geographically integrated while NATO allies were divided by a massive ocean, but also Soviet pressure for a nuclear-free Europe which in reality meant a nuclear-free Western Europe, with its Eastern European neighbours possessing a large, mobile nuclear arsenal as well as having a preponderance in Soviet conventional and chemical weapons. 'And above all,' he said, 'they see Soviet forces deployed hundreds of miles to the west of the Soviet frontier, with capabilities directed at surprise, fire-power and rapid capture of territory, and they see as well the Soviet Union refusing even to acknowledge the existence of their massive superiority in conventional armaments.' This fact had blocked progress in the MBFR talks in Vienna, as well as having a huge impact on how Western public opinion viewed the Soviet Union. 'What we are looking for', he said, 'is a real willingness to bring conventional forces into balance at lower levels and to ensure that those levels are honestly and effectively verified.'

Chemical Weapons

A global and verifiable ban on chemical weapons was in sight, Sir Geoffrey went on, but it remained beyond grasp. The British Government had made a distinctive contribution to resolving the complexities of the subject,[1] but there were real technical problems about effective verification since many chemical agents could be produced easily and cheaply from equipment designed for other purposes. The Soviet Union, as well as Britain, knew the technical problems and its suggestion that the only remaining obstacle was Western unwillingness to sign an agreement was not the case. Britain was ready to approach the formidable technical difficulties involved with good faith and candour, and he asked whether the Soviet Union was prepared to do the same. Although Britain welcomed the Soviet Government's acknowledgment [on 26 December 1987] for the first time that it had 50,000 tonnes of chemical weapons, could the West, he asked, be sure that this was the whole truth. Britain looked to the Soviet Union's new thinking to bring full candour and renewed purpose to its efforts, while Britain's own efforts to achieve a global ban on chemical weapons would not slacken.

The British Deterrent

Sir Geoffrey said that at the Reykjavik summit meeting Mr Gorbachev had explicity removed the British and French nuclear missiles from the INF agenda as well as clearly acknowledging that they would be modernised. The fact was that for the foreseeable future Britain would continue to need a minimum deterrent to guarantee its security. Decreasing it, he pointed out, would mean that it was no longer a deterrent at all, and to be effective it had be maintained and kept up to date. 'Nobody', he said, 'should mistake that for passionate attachment to nuclear weapons for their own sake. Nuclear weapons are a means to an end, and that end is peace. We are convinced that nuclear deterrence has kept Europe free of war for more than 40 years, and that is why we attach so much importance to our own deterrent.' If the United States and the Soviet Union cut their strategic arsenals by 50 per cent, the Trident missile system would be no greater

[1]In November 1987 Mr Gorbachev, interviewed by the United States television company NBC, said that the Soviet Union was engaged in basic research related to those aspects covered by SDI in the United States and that it was doing practically everything that the United States was doing.

[2]At these talks in Vienna in July 1987, representatives from NATO countries tabled a mandate for the negotiations, the objectives of which were: a stable and secure balance of forces at lower levels; the elimination of disparities, together with effective verification; and the elimination of the capability for launching surprise attack and for initiating large-scale offensive action.

[1]After tabling a draft treaty in 1976 banning the development, production and stockpiling of chemical weapons, Britain then introduced a number of working papers to the Conference on Disarmament in Geneva in the 1980s. These included a paper on challenge inspection, allowing a party to a convention to be challenged whenever compliance was in doubt (see pp 79-80, 1980); verification of non-production of banned chemicals; measures to prevent the misuse of civil chemical facilities and the diversion of certain industrial chemicals to illicit military use (see pp 103-4, 1985, and pp 260-2, 1986); and, in 1987, proposals to make a convention banning chemical weapons more effective (see pp 255-6, 1987).

– measured as a proportion of the Soviet Union's remaining nuclear forces – than Polaris was in 1970; that being so, a 50 per cent cut would not justify Britain placing its deterrent on the negotiating table. It was no more than common sense for Britain to retain its deterrent for the foreseeable future.

Iran-Iraq War

New thinking in the Soviet leadership had to make an impact upon other issues where the world needed Soviet co-operation, the Foreign and Commonwealth Secretary said. On the Iran-Iraq war, he pointed out that Mr Shevardnadze agreed with him at the United Nations General Assembly last September (see pp 314-15, 1987) on the overridding need for the five permanent members of the Security Council to work together. Following their discussions on the Gulf war in the autumn they now had to secure the implementation of resolution 598 (see pp 253-4, 1987), the first step of which was an arms embargo resolution. Useful preparatory work had been done at the United Nations in New York, and he hoped that the Soviet Union would put its full weight behind this effort to end the conflict. The five permanent members had to find again the same common will as last September for the sake of peace, for success would be important for the future of the United Nations itself.

Afghanistan

Sir Geoffrey said that Britain welcomed Mr Gorbachev's important statement of 8 February[1] which had opened the way to a further – and, he hoped, final – round of UN talks in Geneva on Afghanistan. The West had no interest in making it more difficult for the Soviet Union to bring back home its troops, but it wanted to see evidence that good intentions about Afghanistan would be put into practice. More than one-third of the Afghan people were now forced to live as refugees in neighbouring countries and crucial tests of the Soviet Government's new thinking would be their willingness to return and their ability as a whole to choose whom they wished to govern them without duress of any kind from the outside. The West looked to the Soviet Union to help facilitate the emergence of a genuinely representative government in Kabul which would convince it that new thinking was more than an intellectual exercise and could bring real benefits.

Human Rights

The Foreign and Commonwealth Secretary said that the Gulf and Afghanistan were only two examples of the many regional conflicts around the world, but they demonstrated what could be achieved through co-operation and self-restraint. When people in the West saw the Soviet Union exerting itself seriously and constructively on more of these problems, they might begin to look eastwards with less suspicion and more confidence. The same applied to human rights, he said.

In a world where technology and travel were fast breaking down the frontiers between nations, Sir Geoffrey emphasised, it was not in the interests of the Soviet people for them to be cut off. East and West could not grow together unless their people could meet on equal terms and exchange ideas, and that was why Britain attached such importance to the fulfilment of the international obligations freely undertaken in the Universal Declaration of Human Rights in 1948 (see p 107) and in the 1975 Helsinki Final Act, reaffirmed in Helsinki in 1985 (see pp 256-7, 1985). Sir Geoffrey urged the Soviet Government to remember that the decisions that it took on human rights were bound to affect the way the governments and people in the West looked at the Soviet Union. There was some progress, he continued, for exchanges in music and the performing arts were becoming more frequent. The Soviet Union with its strong cultural traditions had nothing to fear from the free circulation of newspapers, journals and books or from films, radio and television, and he called for more *glasnost* [openness] in the exchange of ideas.

Conclusion

Concluding, the Foreign and Commonwealth Secretary said that the West was both determined and ready: 'determined, like you, to maintain our own security, but ready to do so when we safely can on the basis of greater confidence and fewer arms; ready also to recognise the important changes you are making at home and ready to recognise them too when we see them happening in your policy abroad; ready, finally, to improve and to enlarge our relationship with the Soviet Union'.

[1]The Soviet leader announced the Soviet Union's readiness to withdraw its forces from Afghanistan according to a fixed timetable not exceeding ten months, starting on 15 May. The withdrawal, however, would be dependent on the formal conclusion of an agreement in the peace talks which have been taking place in Geneva. On 3 March it was announced that the Afghan delegation at the indirect peace talks at Geneva had agreed that Soviet troops would leave Afghanistan over a nine-month period, with half pulling out in the first three months. Agreement was now near to completion on all four of the treaty instruments: a bilateral agreement on non-interference and non-intervention; declarations on international guarantees; a bilateral agreement on the voluntary return of refugees; and arrangements covering the question of the withdrawal of foreign troops. (See pp 404-6, 1987.)

South Africa

The Government's reaction to recent political developments in South Africa, and its attitude towards economic sanctions against that country, were set out by the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, on 29 February, in response to an opposition motion in the House of Commons.

The motion, proposed by the official Opposition (*Hansard*, Vol 128, No 104, cols 668-709), strongly condemned the action of the South African Government on 24 February in effectively banning all peaceful opposition to apartheid by its restriction on the United Democratic Front (UDF), the Confederation of South African Trade Unions (COSATU) and 16 other organisations dedicated to the ending of apartheid; and called on the British Government to participate constructively in urgent international and Commonwealth action against South Africa,

including comprehensive economic sanctions. The Government's amended motion deplored the restrictions; called for the repeal of these measures, which suppressed legitimate, peaceful political activity; reaffirmed opposition to punitive economic sanctions and support for the British Government's policy of practical and constructive action in South Africa; and called on the South African Government to take urgent steps to enter into dialogue with free and freely chosen representatives of the black community, with the aim of bringing the repugnant apartheid system to an end and establishing a non-racial, representative system of government. The Government's amendment was carried by 265 votes to 209.

Foreign and Commonwealth Secretary's Speech

Sir Geoffrey said that the Government had already expressed its views on the recent events clearly and forcefully to the South African Government. The measures were wholly unjustified, amounting to a ban on legitimate peaceful activity by most of those who were working by peaceful means for an end to apartheid. The measures followed the imposition of a countrywide state of emergency (see pp 215-16, 1986), widespread detention without charge, continued evictions and forced removals, and unprecedented curbs on the freedom of the press. They were a step away from dialogue and negotiation towards further polarisation and conflict, and they were a 'recipe for despair' among black South Africans, who might now ask what peaceful channels of expression were left for their legitimate political aspirations. Despair bred violence, and suppressing the symptoms of a problem did not solve the problem, but only made it much worse in the longer term.

Until a few months ago, Sir Geoffrey said, the South African Government had introduced some reforms, including the ending of job reservation, recognition of black trade unions, the scrapping of the pass laws and influx controls, increased provision for black education and the abolition of legislation for 'petty apartheid'. The British Government had welcomed these reforms, but it was tragic that such progress was no longer being seen; the South African Government now seemed to be moving backwards, and the basic institutionalised structures of apartheid remain intact.

The Need for Dialogue

Change would only come when South Africans with the power to act were persuaded of the need to do so. It was not for outsiders to prescribe solutions, nor was it the special responsibility of the British Government to end injustice in South Africa, which was an independent, sovereign state. What was needed as a first step was a genuine national dialogue between the South African Government and free and freely chosen leaders of the black community.

The most hopeful key to starting such a process was the negotiating concept proposed by the Eminent Persons Group set up at the Nassau Commonwealth Heads of Government meeting (see pp 345, 1985, 215-16, 1986), based on 'initial reciprocal and matching commitments' by both sides. The Eminent Persons Group had also called for the unbanning of the African National Congress and other political parties. But now there was intensified proscription even of peaceful activity; new restrictions would only add to the seething frustrations of the black community. However, Sir Geoffrey said that violence was no alternative: it would only lead to enormous loss of life on both sides, and would strengthen support in the white community for further repression. This was the message which the British Government continued to put to the ANC, which was one of the main representative voices of black opposition, and would have to be involved in any negotiations; but violence would not advance its cause.

Sanctions

Despite the outrage at the harsh new measures, the British Government's views on economic sanctions remained unchanged: it believed that they would make things worse. Sir Geoffrey said that the implementation of sanctions by some countries had had no beneficial effect, and attitudes towards genuine negotiations had hardened as a result, as shown by the result of the whites-only election in May 1987 (see p 401, 1987). South Africa's determination to defy the world came in part from the pressure of sanctions. The rising popularity of the extremists of the extra-parliamentary right was already worrying, and isolation and fear would feed that creed of hatred.[1] Sanctions had also led to the withdrawal from South Africa of about half the American companies that had interests there, the result of which had been 'bargain basement' takeovers by South African managements, and many progressive programmes of liberal employment practice in which foreign countries had taken a lead had been discontinued.

Sanctions would undermine the South African economy, and the people who suffered most would be those Britain was trying to help. They would further undermine the stability of the region, for many of South Africa's neighbours had precarious economies closely linked to that of South Africa. The losses inflicted on them in economic confrontation would far exceed the capacity of outsiders to help. Britain was among the leaders in its programmes of economic and security assistance to the neighbouring states, working to reduce the economic and transport dependence of the region on South Africa, and it would continue with its programme of direct assistance to the black community in South Africa, where it was taking a lead in helping to educate black South Africans (see p 46).

Sir Geoffrey said that many South Africans on all sides were showing themselves to be more receptive to new ideas. Britain had a role in pressing the case for change, and would continue to do so direct to the South African Government. Britain would also continue to make known its opposition to actions that infringed the sovereignty of neighbouring countries or further destabilised the region, and would certainly call for a peaceful settlement in Angola and Namibia, through the withdrawal of all foreign forces in the region. Above all, Britain would press for the release of Nelson Mandela and other

[1]The extreme right-wing Conservative Party defeated the ruling National Party in two parliamentary by-elections in the Transvaal on 2 March, increasing its majority in both seats.

political prisoners and for an end to the ban on the ANC and other political parties, in the context of a suspension of violence on all sides.

Opposition Views

Opening the debate Mr Gerald Kaufman, official Opposition spokesman on foreign affairs, observed that the Prime Minister, in her statement to the House of Commons after the Commonwealth Heads of Government meeting in Vancouver (see pp 345-6, 1987), had said that the momentum for change must come from within South Africa itself. But how, he asked, was such a momentum possible when advocates of peaceful change were suppressed? As the voices of non-violence were silenced, the Government of South Africa had set the stage for bloodshed, for which it would be responsible. The Eminent Persons Group had concluded that the South African Government had no genuine intention of dismantling apartheid, and was convinced that the absence of economic action against it deferred change. Mr Kaufman said that the South African Government's fear of sanctions was shown by its prohibition of COSATU from advocating them.

Britain's stand had obstructed international action against South Africa, and assistance to the front-line states would not meet the problem, since it was South Africa's aggressive actions against these states that made aid necessary in the first place. The British economic stake in South Africa, worth some £6,000 million, counted for more with the South African Government than all the Foreign and Commonwealth Secretary's reprimands.

Apartheid had become tougher than ever because the South African Government was responding defensively to internal pressure from the far right, but there was insufficient countervailing pressure from outside the country. The recent banning orders had proved conclusively that a policy of no sanctions had failed. Because black majority rule was certain, the real questions were whether apartheid would go sooner or later, and whether black majority rule was to be achieved by peaceful negotiation or through bloodshed. By blocking effective action, the British Government's policies made it more likely that change would come late, and violently.

For the Liberal Party, Mr David Steel said that many people were worried about Britain's 'lackadaisical, do-nothing' approach towards the apartheid régime. Britain should join the other Commonwealth countries in their plans for effective action. Mr Steel believed that targeted, selective sanctions would be more effective than general sanctions. Britain, he said, should look again at ending direct flights to South Africa, and loopholes in the United Nations embargos on arms and arms-related materials should also be tightened up.

Security Council Resolution

A draft resolution was presented to the United Nations Security Council on 7 March condemning the intensification of repression by the South African regime and declaring that the policies and practices of apartheid constituted a serious threat to international peace and security. The resolution called for the imposition of a wide range of sanctions: cessation of further investment in, and financial loans to, South Africa; a ban on imports of South African iron and steel; an end to all promotion of and support for trade with South Africa; the prohibition of the sale of all Krugerrands and all other coins minted in South Africa; cessation of all forms of military, police or intelligence co-operation with the South African authorities, particularly the sale of computer equipment; and the cessation of the export and sale of oil to South Africa. The resolution was vetoed by Britain and the United States.

During the debate on the resolution, Britain's representative at the United Nations, Sir Crispin Tickell, said that the British Government condemned the latest moves by the South African Government to suppress free argument and debate. They were a retrograde step, and it was right that the Council should condemn them. But mandatory economic sanctions would worsen rather than improve the prospects for peaceful change, making internal reconciliation and lasting regional stability more difficult to achieve. Britain would continue to pursue an active policy of pressure and persuasion, as well as assistance to the victims of apartheid, designed to achieve practical and positive results. As part of this policy, it had already adopted the majority of measures listed in the resolution (see pp 321-2, 1987). It would continue to apply these scrupulously and maintain its pressure on the South African Government for political change.

Human Rights

The principles underlying Britain's policy on human rights were outlined in a speech made to the forty-fourth session of the United Nations Commission on Human Rights on 18 February by the Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, Mr Timothy Eggar.

Individual Liberties

Mr Eggar said that respect for individual liberties and the protection of the rights of individuals against the authority of the state were deeply rooted in British tradition. Britain's history had taught its citizens to cherish and, if necessary, to fight to defend such civil rights as equality before the law, trial by jury and the humane treatment of offenders. They had been engrained in the British consciousness long before the eighteenth-century philosophers had helped to formulate the concepts of 'natural rights' or 'the rights of man'. Although it would be wrong to claim that Britain was a perfect society, it could point with pride to the rule of law, the means by which rights were safeguarded and the weak protected from the strong. Without this equality before the law, human rights would inevitably become a prey to the arbitrary use or abuse of power.

Noting that there were many countries in the United Nations with very different traditions and different ways of going about their business, Mr Eggar said that Britain had no ambition to impose its

own views of how to organise society. It did, however, recognise a shared international responsibility since the Universal Declaration of Human Rights (see p 107) and two major international Covenants on Human Rights had established the principle that human rights were a matter of legitimate international concern. 'We have asserted for ourselves, as the international community, the right to make judgments – and the duty to accept that the actions of our own governments may come under scrutiny. It is a recognition of a common duty – and a common compassion.'

Abuses of Human Rights

These standards, however, were flouted in many parts of the world with a seemingly endless series of atrocities committed in the name of political or religious creeds, the desire for domination or simply sheer callous disregard for the rights of others. Britain would be outspoken in condemning all abuses of human rights wherever they might occur.

Violations, continued Mr Eggar, were not the monopoly of the few countries so often singled out for international censure. The resolutions adopted by the United Nations Commission on South Africa, the Arab territories occupied by Israel in 1967, and Chile reflected the just indignation of the international community at persistent and flagrant violations of civilised standards. The situation in Afghanistan, too, had rightly attracted criticism. But the plight of Soviet prisoners of conscience, the long-term prisoners in Ethiopia or the repressive policies of the authorities in Cuba or Syria should not be forgotten; these were but a few examples of problems which too often escaped international scrutiny in the Commission.

There could be no doubt about Britain's condemnation in all these cases, but member states had to be on guard against the temptation to find excuses for their friends and to concentrate their criticism on governments they found uncongenial. 'That selectivity is a threat to the whole principle of international scrutiny of human rights. Our approach must be based firmly on the principles of the Charter. If we allow extraneous political elements to creep into our resolutions, we shall be undermining the very foundations of the Commission's work . . . We must be ready to place blame where it is due. We must also be ready to recognise and encourage improvements where they are established.'

Mr Eggar emphasised that Britain shared the outrage of the international community at the 'abhorrent practices of apartheid' in South Africa. Together with its partners in the European Community, Britain had spoken out about the detentions without trial, forced removals of people and 'other sickening manifestations of a fundamentally evil system' (see pp 103-5). It had also voiced its very great concern about Israeli policies and practices in the occupied Arab territories and had consistently joined those who had condemned the violence there (see pp 14-15). In Afghanistan Britain had called for the withdrawal of Soviet troops, which alone would be a major factor in the restoration of the basic rights of the Afghan people, 30 per cent of whom were refugees (see pp 404-6, 1987). In all these cases, and in many others, Britain took a clear stand both in public and in private. Although there was a place for public condemnation, there were also times when constructive dialogue in the Commission was the best way forward. There was a need to engage in honest and open dialogue – on the merits of each individual situation – and to resist the blandishments of political prejudice.

Northern Ireland

It was in this spirit that Britain had responded to criticisms of its policy in Northern Ireland, Mr Eggar continued. Successive British Governments had recognised the particular problems of the province and a wide range of measures had been introduced to protect human rights and prevent discrimination. Attention had been focused on promoting equality in employment and preventing discrimination on religious grounds, and detailed proposals for new legislation on fair employment were being drawn up (see pp 93-4) which would take this process significantly further. The British Government tried to protect the rights of both the Protestant and Catholic communities in Northern Ireland and the vast majority of people in both these communities wanted no part of violence or terror.

Political Prisoners

Britain favoured the Commission's system of special rapporteurs, set up either to investigate the problems of individual countries or to concentrate on thematic issues. This two-track approach was valuable and the thematic reports had enabled discreet enquiries to be made which had brought solutions to some individual cases. Britain believed that this work could be expanded and that it would be right to introduce a new measure to maintain consistency in this field by adopting an appropriate mechanism – such as a special rapporteur – to focus on the problem of political prisoners throughout the world. Such prisoners were often held without charge or trial and in all cases their detention was a denial of freedom of expression or of opinion or belief. Although the Commission had mechanisms to focus on torture, executions, disappearances or religious intolerance, the problem of political prisoners did not appear anywhere on the agenda. Britain believed that this was an omission which had to be put right.

Trust Fund

Britain had decided to contribute £20,000 to a new voluntary trust fund for advisory services and technical assistance which was a constructive help to governments genuinely needing help and advice to solve their own difficulties. Mr Eggar hoped that contributions to the fund would be such that many countries could benefit.

Conclusion

Mr Eggar said that Britain would continue to play a full and constructive part in the work of the Commission and recognised the determination of many other governments to do likewise. It welcomed the close involvement of non-governmental organisations in the discussions, for they were in the front line in defence of human rights. 'We shall gauge the success of the Commission by the extent to which we can all say that we have held firmly to our prin-

ciples, that we have made our judgments freely and fairly – and on the basis of fact – above all that we have tailored our responses not to political convenience but rather to secure the maximum improvements for the victims of human rights abuses. It is to the victims that our first duty must lie.'

Background

Among the objectives of the United Nations, as set out in the Charter, is the achievement of international co-operation in promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.

Fundamental human rights provisions are set out in the Universal Declaration of Human Rights proclaimed by the General Assembly in 1948, and in the two international Covenants (one on Economic, Social and Cultural Rights and the other on Civil and Political Rights) which impose legal obligations on those who ratify them and which came into force in 1976. Britain ratified the two Covenants in 1976. It also accepted the optional Article 41 of the Covenant on Civil and Political Rights recognising the competence of the Human Rights Committee established under this Covenant to receive and consider state complaints. (It is not party to the Optional Protocol to the Covenant which recognises the right of individuals to submit communications to the Committee; Britain does, however, recognise the right of individual petition under the European Convention on Human Rights.) Britain is also a party to other international instruments, including conventions on the elimination of racial discrimination and of discrimination against women, prevention of genocide, the abolition of slavery, the status of refugees and stateless persons, the political rights of women and consent to marriage.

As a member of the Council of Europe, Britain is a signatory of the European Convention for the Protection of Human Rights and Fundamental Freedoms which was adopted in 1950. The Convention came into force in 1953 and binds Britain and the other member states. It is distinctive among human rights instruments in possessing enforcement machinery.

The voluntary trust fund was agreed by the United Nations Human Rights Commission in 1987 to supplement similar programmes being carried out by the UN.

Training for Employment

Details of the new unified training programme, which will have an annual budget of £1,400 million and will be able to provide training for about 600,000 people a year, are set out in a White Paper, published on 16 February. It represents Britain's largest ever training programme.

In a statement in the House of Commons on 16 February (*Hansard*, Vol 127, No 95, cols 825-6), the Secretary of State for Employment, Mr Norman Fowler, said that the Manpower Services Commission (MSC)[1] had 'warmly welcomed the new programme' which he had first announced in November 1987 (see p 411, 1987). He had accepted in full the MSC's proposals on the programme, which would be implemented from September 1988. Unemployment had fallen rapidly in the last 18 months, and the evidence indicated that there were many more jobs available. There was now the opportunity to train the long-term unemployed in the skills required by the labour market, which would help to ensure that Britain had the skilled workforce needed to compete in internal and overseas markets.

WHITE PAPER

The White Paper[2] analyses the current employment position including the changing pattern of unemployment and the likely trends in employment, and describes a series of major initiatives to be taken to help unemployed people back to work.

Changes in the Labour Market

Employment, particularly self-employment, is continuing to grow rapidly. Since 1983 the employed labour force has risen by 1·5 million (to 25 million), the longest period of continuous employment growth for more than 30 years. However, the improvements in the economy took some time to be reflected in lower unemployment. While the economy has grown at an average annual rate of 3 per cent since 1981 (see p 62), the fall in unemployment did not start until mid-1986.

Since June 1986 unemployment has declined by nearly 600,000 to some 2·6 million in December 1987, representing 9·4 per cent of the working population.[1] In the last year Britain's unemployment rate has fallen faster than that of any other major industrial country and is now below that of many of its European partners including France and Belgium (see pp 378-80, 1987); both youth unemployment and long-term unemployment have fallen. Young people have benefited from the strengthening of Britain's economy and from the Youth Training Scheme (see pp 127-8 and 239-40, 1985, p 232, 1986, and p 62, 1987), which has been a significant factor in improving their employability. All young people under 18 now have the opportunity of a job or of a place in education or training which will help to equip them for work.

Job vacancies are also at very high levels, with 257,000 unfilled vacancies at jobcentres in December 1987, 22 per cent more than a year earlier and more than twice the level of December 1982. However, this does not represent the total number of vacancies in the economy as many employers do not notify vacancies to jobcentres. A survey of 1,400 employers undertaken in January 1988 suggests that in a typical month there are over 700,000 unfilled vacancies in the economy; it also indicated that in 1987 employers recruited about 7·5 million people. The White Paper says that for many people unemployment is a temporary event. Although nearly 400,000 people join the unemployment count each month, over half leave within three months and almost 70 per cent within six months.

While a large number of new jobs is being created and in some areas there are reports of skilled labour shortages, long-term unemployment remains. The White Paper says that this can reflect a number of factors, for example, that new jobs may not be in the same areas as the unemployed. Unemployment is falling in all regions, and recent reductions have been greatest in some of the regions with above average unemployment, such as Wales, the West Midlands, the North West and the North. However, there are areas in all regions where job prospects are good and there are pockets of high unemployment in the most prosperous regions (such as the South East). The inner cities and many council housing estates provide examples of small areas where unemployment is very high, with the evidence suggesting that to some extent people in such areas can be trapped in unemployment by their lack of skill, their lack of knowledge about jobs and their

[1]The Employment Bill (see pp 377-8, 1987) includes a provision for the MSC to be renamed the Training Commission.

[2]*Training for Employment.* Cm 316. Department of Employment. HMSO, £5. ISBN 0 10 103162 9.

[1]Provisional estimates for February 1988 indicate a continuing fall in the number of unemployed claimants on a seasonally adjusted basis to 2·53 million, representing 9·1 per cent of the working population.

past lack of success in finding work. 'It must, therefore, be a priority to ensure that the full range of government programmes to help the unemployed is accessible to people living in inner city areas and on council estates' (see also p 122).

Other factors in the persistence of unemployment are that unemployed people tend to have poorer educational qualifications and fewer skills or appropriate job experience; they may have difficulties in looking for a job effectively and successfully, and in maintaining motivation if jobhunting is unsuccessful; and many have an inaccurate perception of the relative benefits of working, believing that they would be better off remaining unemployed, without realising that there are benefits to which they may be entitled when in work. 'The Government's aim is to offer unemployed people a route back to work, by re-establishing and maintaining personal contact with each individual who is unemployed; by offering opportunities to acquire skills; and by giving improved access to information, advice and other practical assistance.'

Long-term Unemployment

Long-term unemployment is falling sharply; in the year to October 1987 the number out of work for six months or more fell by 281,000 and the number out of work for a year or more by 169,000, representing the biggest reduction since records began. Nevertheless, there remain some 1·1 million people aged 18 to 59 who have been unemployed for a year or more and a further 400,000 for between six and 12 months. Three-quarters of long-term unemployed people are under 50. Many lack the kind of skills needed to fill the jobs becoming available, while over half of those out of work for six months or more have no educational qualifications.

The White Paper notes that much has been achieved in recent years to help long-term unemployed people gain access to jobs, training and other opportunities. The Government intends to build on these efforts and to meet two main challenges: the need to overcome the skills barrier, and the problem that the longer people remain unemployed the harder it is for them to persuade employers that they can be effective at work.

Future Employment Pattern

For many years, the White Paper says, Britain's economy has absorbed growing numbers of people of working age, with an increase of nearly 2 million in the population of working age in Great Britain in the decade to 1986. However, this increase will slow down, so that between 1986 and 1990 a rise of under 500,000 is expected, with the total being constant at some 34 million in the 1990s. One feature is a substantial decline in the number aged 16 to 19, from 3·5 million in 1986 to 2·6 million by 1994, which has implications for employers' recruitment and training policies.

Since 1983 the number of employees in the services sector has grown by over 1·5 million (to some 14·6 million in Great Britain). Major areas of growth include financial and business services, the leisure industries, and tourism. Self-employment and the small business sector are also growing strongly, with small firms employing 25 per cent of the labour force and accounting for 36 per cent of private sector employment. However, compared with Britain's leading international competitors there is still plenty of scope for further growth in these sectors in Britain. The changes in the structure of employment are having a major impact, and the most notable feature about new jobs is the increase expected in the demand for skills and qualifications and for flexibility in their use. Britain needs to develop its skills base to compete successfully, and to sustain jobs and growth. It needs 'a strategy of training through life: a process through which the skills and qualifications of the workforce are continuously broadened and upgraded'.

Unified Training Programme

A wide range of programmes exists to help unemployed people over 18, including the Community Programme (providing up to a year's employment for long-term unemployed adults), the old and new Job Training Schemes, the Voluntary Projects Programme and the Employment Rehabilitation Programme.[1] However, they do not meet all the requirements and 'it is clear that there is now scope for a new approach'. This will involve giving the highest priority to long-term unemployed people; shifting the emphasis for this group away from temporary employment to providing, through training, the motivation and skills to help them to obtain jobs; and persuading employers to increase their involvement in training the long-term unemployed. Accordingly, the Government has decided to bring together all the existing programmes for unemployed people over 18 years of age into a single unified training for employment programme, providing up to 12 months' training for some 600,000 people a year.

Objectives

Major objectives will be to give long-term unemployed people the skills needed to obtain and keep jobs, and to make it possible to meet the Government's guarantee of an opportunity for help back into work to those aged 18 to 24 who have been unemployed for between six and 12 months and its aim of making available opportunities to all those aged 18 to 50 who have been unemployed for over two years. Although these groups will be the main participants, there will be opportunities for other groups (such as those aged over 50), while government provisions for unemployed people with disabilities, for ex-servicemen, for women returning to the labour force and for ex-offenders will be maintained. The new programme will also aim to provide a broad range of training, from very basic skills to skills needed in high technology industries and including those needed for running a small business; to encourage employers to increase their involvement in adult training; and to encourage people to take a much greater interest in their own development.

Training

Training will be provided in two main ways: project-based, designed particularly for those unemployed for over a year; and employer-based, open to anyone unemployed for more than six months. Directed

[1]For information see COI reference pamphlet *Employment in Britain*, No 131/87.

(or off-the-job) training may be provided by colleges of further education, by other education or training organisations, or by training managers. A fundamental principle will be that trainees should be able to progress from one form of training to another, with the aim that no-one should leave the programme without a period of employer-based training.

The White Paper says that the Community Programme serves a very useful purpose in enabling people otherwise unemployed to undertake work of benefit to society, notably on crime prevention, energy conservation and environmental improvement, and it is important that these aspects should continue wherever possible, although projects may need to be adapted to provide practical training. Accordingly, the new programme will provide at least 170,000 places for project-based training, which should ensure that the experience of existing agents and sponsors, including voluntary organisations, can continue to be harnessed.

Entry to the programme will be through a variety of routes including a Restart interview (see below) or application at a jobcentre. A network of 'approved training agents' (to be established by the MSC) will provide participants with counselling, guidance and assessment, and will work with an individual on the preparation of a training plan, after which the individual will be placed with a suitable 'training manager'. Training managers, who will be appointed by the MSC, will be responsible for delivering the training in the programme, and will be able either to provide all the training or to subcontract some of it. Each individual's plan will contain objectives covering, for example, basic skills, development of motivation and of personal effectiveness, training in occupational skills and training in job search. The objective is that there should be a 'quality outcome' for each individual, the best outcome being a job or self-employment. In addition, wherever possible, participants will be able to follow a programme leading to an externally recognised vocational qualification or a credit towards such a qualification, and each individual will receive a record of his or her achievement on the new programme. As trainees approach the end of their period on the programme, approved training agents and training managers will take steps to find trainees a job or further training.

Training Allowance

The Government considers it important that unemployed people should have a financial incentive to join the programme, and its aim is to guarantee that participants, irrespective of their personal circumstances, will be better off than remaining unemployed and claiming benefit. Accordingly, each trainee will receive a payment of £10 more than his or her weekly benefit entitlement, while slightly larger weekly payments will be made to single people under 25 entitled to Income Support and married people without children entitled to Income Support under the new social security system (see pp 421-4, 1987).

Other Measures to Help the Unemployed

At the centre of the Government's plans for getting unemployed people back into work is the new unified Employment Service, set up in October 1987, which brings together the Department of Employment's network of unemployment benefit offices and the jobcentre network previously run by the MSC (see pp 238-9, 1987). The Service will have three priorities: providing help to people unemployed for over six months and other unemployed people needing such help, notably through greater emphasis on placing them into jobs, through the development of the Restart Programme and other measures (including training); to make accurate and prompt benefit payments to unemployed claimants, while ensuring that benefit is paid only to those entitled; and to improve its capacity to deliver services in a number of ways including promoting the integration of jobcentres and unemployment benefit offices.

Restart

Under the Restart Programme, each benefit claimant unemployed for six months or more is entitled to an interview at a jobcentre to discuss problems faced in finding a job and to consider a range of opportunities available including training programmes, a place in a Jobclub, and an introduction to the Enterprise Allowance Scheme (see below). Restart courses are available to help unemployed people to improve motivation and assist with job-hunting techniques, and in 1986-87 nearly 110,000 people participated in these courses. Since July 1986 nearly 3 million people have been interviewed. The Government is implementing a number of improvements in the programme, including from April 1988 a guarantee that everyone who is unemployed will be invited to a Restart interview every six months.

Jobclubs

The White Paper says that 'Jobclubs' have been 'an outstanding success' and have expanded rapidly, so that over 1,100 are in operation. They provide unemployed people with coaching and expert advice on job-seeking techniques, and practical facilities are available including free use of telephones and of stationery and postage. Between April 1987 and the end of 1987 nearly 75,000 unemployed people joined a Jobclub, of whom 54 per cent left to go to a job and 14 per cent took up training or another job-related opportunity.

Enterprise Allowance Scheme

Under the Enterprise Allowance Scheme, unemployed people wishing to set up in business are paid an allowance for a year of £40 a week while the business is developing, and are also eligible for free advice and guidance from experienced business counsellors, and for training in business skills. Since 1983 over 300,000 unemployed people have benefited from the scheme, and recent surveys have shown that, of those receiving the allowance for a whole year, 65 per cent are still trading three years after starting their business. The scheme is being expanded to allow for some 110,000 new entrants a year from April 1988.

Incentives to Work

The Government has made major efforts to remove the perceived 'unemployment trap', under which

people believe that they are better off living on benefits. These include changing tax rates and allowances and national insurance contributions, while the reformed social security system from April 1988 will also help to ensure that people are generally better off in work than when unemployed. To help make lower-paid jobs more attractive to those in receipt of benefit, a Jobstart Allowance of £20 a week is available for up to six months for people unemployed for a year or more who find a full-time job paying less than £80 a week. Nevertheless, the White Paper says that some unemployed people appear to prefer living on benefit, fearing that they would be worse off in work. Interviews by the Employment Service in January 1988 provided evidence of the extent to which unemployed people were unaware of the value and existence of 'in work' benefits, with many seeking levels of pay which were unrealistic and inflated as they ignored these benefits. Two initiatives are being implemented, involving greater effort to provide information about in-work benefits to the unemployed, and an increase in the number of claimant advisers (who work alongside Restart counselling staff to encourage and support the unemployed in their search for a job).

Availability for Work

The White Paper says that 'it is an obligation on all governments to take whatever steps are necessary to make sure that the social security system is not abused'. Although most benefit claimants are genuinely unemployed, there is evidence that a significant minority are not meeting the basic legal requirement to be available for work. The Government intends to counter any abuse of the social security system and to ensure that in future benefit is paid only to those who meet the statutory conditions. Measures being taken include an increase in the number of claimant advisers, by 100 to some 850; a new questionnaire, being sent out from April 1988 with every Restart invitation letter, partly to establish that those invited are still available for work and partly to help the interviewer decide on the most suitable opportunities; and strengthening the resources devoted to fraud investigation.

Other Training

The White Paper also refers to the major changes which have taken place in vocational education and training. The Youth Training Scheme is established as a two-year programme offering all school-leavers the chance of securing a vocational qualification. The Technical and Vocational Education Initiative (see pp 231-2, 1986), which is intended to stimulate the provision of technical and vocational education for those aged 14 to 18, complements other major government initiatives in schools and is being extended to every local education authority in England and Wales and every education authority in Scotland. The National Council for Vocational Qualifications has been established (see pp 232-3, 1986) with the task of implementing by 1991 a new National Vocational Qualification.

With the new training programme announced in the White Paper, high-quality training will be available for some 600,000 unemployed people a year, representing a major step towards the reskilling of the British workforce. Together with the other aspects of training, this will mean that 'over 1 million people each year will be benefiting from high-quality training'.

Steel Privatisation

The British Steel Bill, which provides for the eventual transfer of the British Steel Corporation to the private sector, was given a second reading in the House of Commons on 23 February.

Main Provisions

The Bill provides for the transfer of the business of the British Steel Corporation (one of the world's largest steel producers, accounting for some four-fifths of crude steel production in Britain) to a private company, British Steel plc. The public capital of the Corporation would be replaced by shares in the successor company, which would initially be state-owned. The Government would then be able to sell the shares to the public, timing the sale according to market conditions and company performance. Any sale would be unlikely before the end of 1988. The capital structure of the company would fulfil the requirements of the Companies Acts.

PARLIAMENTARY DEBATE

The Bill was given a second reading by 280 votes to 219, a government majority of 61 (*Hansard*, Vol 128, No 100, cols 169-246).

Minister's Speech

Opening the debate, the Minister of Trade and Industry, Mr Kenneth Clarke, said that Britain's steel industry was a normal commercial enterprise that belonged in the private sector. The Government believed that good commercial enterprises should be in the private sector because they fared better there, being free of Treasury and ministerial control and further away from political lobbying. The prosperity and job security of management and workforce in private companies depended on their market success and customer satisfaction.

As a nationalised industry, answerable to politicians, steel had lacked the flexibility needed to cope with the new challenges posed by the recession which started in the mid-1970s, and there had been a consequent loss of competitiveness. Its return to a healthier state had been partly the result of the Government increasing the Corporation's freedom to carry out its own business, even though the Government remained the owners on behalf of the State. The industry was flourishing despite – rather than because of – nationalisation and was now one of the most profitable in the world. Productivity had improved in every year since 1980; selling prices had risen by much less than the inflation rate; exports had increased absolutely and as a proportion of total sales; capital expenditure had risen steadily since 1982; and customer service had been

given a much higher priority than previously. These achievements were all the more creditable for having been carried out in a difficult market. The time had now come to give the Corporation the opportunity to stand alone and to give it the flexibility and independence needed to face up to the highly competitive international environment.

Commending the Bill to the House, Mr Clarke said, 'The privatised British Steel will use its independence to respond even more effectively to the needs of its customers. By doing so it will contribute enormously to the economy, through both its domestic activity and its export earnings. The British Steel Corporation belongs in the private sector and it is there that it will best prosper.'

Opposition Views

Replying for the official Opposition, Mr Bryan Gould said that there was no causal connection between success and privatisation; success in the steel industry had been achieved with no help from privatisation and did not depend on it for its continuation. He accused the Government of using privatisation to take advantage of industrial and commercial success rather than to provide it. Mr Gould argued that the cyclical nature of the steel industry meant that the Government could not stand aloof from it. The Bill subjected the industry to disruption and uncertainty. It also offered short-term profits to private investors at the expense of a fair return to the taxpayer without any measurable benefit to the industry. 'That is why we oppose the Bill', Mr Gould said.

For the Liberal Party, Mr Malcolm Bruce said that profitability had been achieved only at a substantial price – one that would not have been freely available in the private sector. He felt that nationalisation was not the only solution to the steel industry's problems but looked for an assurance that the Government recognised that the strategic core of steelmaking capacity had to be retained.

Electricity Supply Industry Privatisation

White Papers containing details of government proposals for privatisation of the electricity supply industry in England and Wales and in Scotland were published on 25 February and 2 March.

In a statement in the House of Commons on 25 February (*Hansard*, Vol 128, No 102, cols 454-6), the Secretary of State for Energy, Mr Cecil Parkinson, said that in framing proposals for the privatisation of the electricity supply industry in England and Wales he had adopted six principles.

1 Decisions about the supply of electricity should be driven by the needs of customers.

2 Competition is the best guarantee of the customers' interests.

3 Regulation should be designed to promote competition, oversee prices and protect the customers' interests in areas where natural monopoly will remain.

4 Security and safety of supply must be maintained.

5 Customers should be given new rights, not just safeguards.

6 All who work in the industry should be offered a direct stake in their future, new career opportunities and the freedom to manage their commercial affairs without interference from government.

There was substantial room for competition in the electricity industry, Mr Parkinson continued. Distribution and transmission were largely natural monopolies and generation, which accounted for nearly 80 per cent of the costs of electricity, was not. 'Only if competition is introduced will there be real incentives for generators to build power stations efficiently, to have their stations available and to fuel and run them efficiently.'

In a statement in the House of Commons on 2 March (*Hansard*, Vol 128, No 106, cols 975-7), the Secretary of State for Scotland, Mr Malcolm Rifkind, stressed that privatisation of the electricity supply industry in Scotland would benefit the continuing regeneration of Scottish industry and the growth of the private sector. In framing his proposals, his aim had been to build on the strengths of an efficient, well-managed and successful electricity industry, which had an impressive display of generation sources, including hydro-electric, pumped storage, nuclear and a full range of fossil fuels. In addition, the Scottish electricity industry had an important competitive role to play in the electricity market of Great Britain: 'there is significant over-capacity in the Scottish system, which can be used to export electricity to England and Wales to the benefit of both buyer and seller'.

WHITE PAPER FOR ENGLAND AND WALES[1]

Background

The electricity supply industry has experienced continuous change since its beginnings in the late nineteenth century, when it consisted of many small private companies and municipal undertakings, largely meeting local needs for lighting, industrial power and public transport. After the end of the first world war in 1918, larger power stations and high-voltage transmission lines were built and in the 1930s a mainly regional 132 kV (kilovolt) transmission system was constructed and connected to form a national grid, followed in the 1950s and 1960s by a more extensive national transmission system, operating at 275 kV and 400 kV, which became known as the super-grid. As a result, the size and efficiency of power stations rose and their number fell. There are now 78 commissioned power stations, supplying some 230 TWh[2] (Terawatt hours) a year through more than 624,000 km (390,000 miles) of transmission and distribution lines to some 22 million customers. Electricity is of great importance to the economy. In 1987 it accounted for some three-quar-

[1] *Privatising Electricity: the Government's proposals for the privatisation of the electricity supply industry in England and Wales*. Cm 322. HMSO, £2·80. ISBN 0 10 103222 6.

[2] 1 Terawatt hour = 1,000 million kilowatt hours.

ters of the British coal market and about one-third of the country's primary fuel consumption. Revenues from the industry amounted to almost 2 per cent of national income, and price and security of electricity supply are important to national competitiveness.

Despite the attempt by the Energy Act 1983 (see pp 409-10, 1982, and p 186, 1983) to introduce more competition, the White Paper says, the electricity supply industry remains an effective monopoly in areas where this is unnecessary and harmful to customers' interests. Because of the legislative framework in which it operates, important investment decisions are taken by a monopoly supplier; such decisions are assuming an increasing importance since many of the industry's assets are approaching the end of their useful life and a substantial new investment programme is needed. The Government's proposals will end the monopoly in generation and give more influence to the distribution companies and their customers, with every part of the industry becoming accountable to its shareholders.

Current Structure

The electricity supply industry in England and Wales comprises:

1 The Central Electricity Generating Board (CEGB), which supplies some 95 per cent of power requirements from its power stations[1] and owns and operates the super-grid system, including the links with France and Scotland; specifies the performance requirements of new power stations, determines their design and supervises their construction; and has a statutory obligation to provide bulk electricity supplies for the area boards.

2 Twelve statutory independent area boards, each responsible for electricity distribution from the high-voltage grid to the final customer, through their 132 kV and lower voltage distribution networks, and each with a statutory duty to plan and carry out distribution of electricity.

3 The Electricity Council, made up of the chairman and two other members of the CEGB, the chairmen of the area boards, and a few full-time members, which has a co-ordinating role on matters of industry-wide concern and specific responsibilities for the central management of finance and taxation, industrial relations, research and development, national marketing and advice to the Government.

Area Boards

The regional nature of the area boards will be retained. The White Paper points out that the market for electricity and costs of distribution vary from area to area: in 1986-87, for example, 25 per cent of sales by the South Eastern Electricity Board were to industrial customers, whereas the figure for the Merseyside and North Wales Electricity Board was 53 per cent. There is therefore, it says, a strong case for retaining independent regional distribution companies to respond to local needs and to develop a regional identity. There is also scope for competition by comparison, by which means the customers of one company will be able to compare the prices and service they receive with those received by the customers of another.

National Grid

The benefits of the national grid will also be retained. Management of the power supply system is complicated because electricity cannot be stored. Output and demand have always to be matched; otherwise the quality of supply will deteriorate and, in extreme cases, the system will fail. To ensure secure supplies, national grid control continuously directs the use of power stations and transmission of power flows, and plans and directs the use of those power stations available so as to minimise generation costs, calling up the cheapest stations first and operating stations in 'merit order'.

The operation of the power supply system need not be determined by its ownership, the White Paper continues. Whoever owns the grid in the new structure, its controllers will need to retain their central role in scheduling and directing the use of power stations so that power is transmitted reliably to the distribution companies and demand at any moment is met from those power stations which offer the cheapest energy in much the same way as the present merit order operates.

Monopoly

Ownership of the national grid gives the CEGB control of access to the market for bulk electricity supplies. There are no power stations built by private sector companies to supply regularly through the super-grid, even though existing legislation (see above) was designed to encourage competition. Competing power stations, the White Paper says, should supply the area boards through the grid, since the Government believes it is not in customers' interests to be supplied by a monopoly producer.

Obligation to Supply

The CEGB's statutory obligation to provide bulk supplies to the area boards, a provision intended to ensure security of supply, has had important consequences. It has to be sure of generating enough to meet its obligation, recovering the costs of doing so, and therefore has to be included in the final decision-making on the number and type of power stations needed. Its control of the national grid discourages competition. Although demand forecasts and power station investment plans are discussed and agreed in the Electricity Council, the area boards and customers have to meet the costs of the CEGB's decisions. Power station investment decisions, which play a major part in determining electricity prices, are effectively taken by the producer and are not necessarily driven by the needs of the customer.

Government Intervention

The other weakness in the present structure, the White Paper says, is government's wide powers to interfere in the running of the industry. The Government appoints the members of all the boards that manage the industry, approves all its capital expenditure plans, and determines its total borrowing limit. While attempts have been made to set a clear

[1]The CEGB's output capacity at March 1987 totalled 52,363 megawatts (MW). 6,775 MW were provided by oil-fired plant; 5,029 MW by nuclear plant; 4,504 MW by coal/oil-fired plant; and 2,088 MW by pumped-storage plant.

framework in which these controls will be exercised, management does not have freedom to manage as in the private sector. After privatisation, the industry will be free of government intervention in day-to-day management, protected from fluctuating political pressures and released from the constraints on financing which public ownership imposes.

Future Structure

The Government's aim is to build on the strengths of the present structure and to correct its weaknesses, so that a more efficient industry can develop. To achieve this:

1 The 12 area boards will be privatised as 12 distribution companies, each to have the obligation to supply in its area.

2 The national grid will be maintained and will retain its central role in scheduling and directing the use of power stations.

3 The CEGB's effective monopoly of electricity generation will be ended.

4 The CEGB's obligation to provide bulk supplies of electricity will be ended.

5 An effective system of regulation will be put in place to ensure fair competition, to oversee prices, and to see that the privatised industry meets its obligations.

Ending Monopoly

Two steps will be taken to end the CEGB's monopoly. First, a substantial part of its capacity will be formed into a competing generating company which will own some 30 per cent of the CEGB's existing capacity, including a broad spread of coal, oil and gas turbine plant of various sizes and ages. This will enable the new company to compete with the remainder of the CEGB at all levels of demand and to compete, through competitive tendering, for contracts with distributors to build new capacity. The shares in the new company, and in the remainder of the CEGB, will be offered to the public and there will be provisions to ensure that employees can acquire shares.

Secondly, control and ownership of the national grid will be transferred to the distribution companies. The grid has to retain a central role in planning and directing the use of power stations to minimise cost and to ensure that the system does not fail. If the CEGB or any other generating company owned the grid, it would inevitably have to direct the use of all the major power stations on the system. The Government does not believe that it would be fair to put any generating company in such a position, after privatisation, where it effectively owns the means of transmission and controls its competitors' power stations. This task will therefore be given to a grid company owned jointly by all the distribution companies, which will have a direct incentive to seek the cheapest sources of supply and to promote competition among generators.

Organisation

The future structure of the industry will therefore comprise:

1 a substantial new generating company, formed from some 30 per cent of the CEGB's existing capacity, all of it non-nuclear;

2 the remainder of the CEGB, owning the remaining power stations, including the nuclear stations;

3 other existing and potential private generators, which will generally contract with the distribution companies, the grid company, or large customers;

4 a separate grid company, owned by the distributing companies, which will operate and own the 275 kV and 400 kV super-grid transmission system, the CEGB's interests in the interconnectors with Scotland and France, and the pumped storage stations at Dinorwig and Ffestiniog (Gwynedd);

5 twelve distribution companies, based on the existing area boards, which will also have the right to generate where this does not create local monopolies in electricity production and supply.

In the new structure the commercial relationship between the distribution companies and generators will be governed by contracts. The Electricity Council will be abolished when the new structure is in place, but the Government will consult the industry about the implications of privatisation for its employees and continuing functions.

Operation of the Grid Company

The grid company, owned by the distributors, will operate in much the same way as the CEGB's national grid control and transmission division operate at present. It will direct power stations so as to meet demand at lowest cost, ensuring that power flows on the transmission system and the quality of supply remain within technically acceptable limits. Thus the major advantages of a national integrated system, with a merit order of operation, will be maintained. The contractual relationships between grid company and generating and distribution companies will be a change from the present operational and command relationships between the CEGB's grid controllers and its power stations.

The Obligation to Supply

In the new structure, the statutory obligation to supply will be placed on the 12 distribution companies. The White Paper says that it is not possible to give the obligation to a generator in a freely competitive market as this would stifle competition at the outset. The distribution companies will meet their obligation by contracting for sufficient capacity and energy from the generating companies, or by generating themselves, thus giving them a much greater say in decisions about the number and type of power stations that should be built.

Competition

The new structure will give the distribution companies the incentive to promote competition in generation; the ability to connect competing generators to the system; and a wide choice of generators. The distribution companies will contract for power station capacity on the basis of competitive tenders and will have stronger incentives to pursue economic schemes for local generation and for managing peak demand. Generating companies will therefore be under pressure to build plant efficiently, a crucial matter for the future, as the industry

invests substantial sums to meet growing demand and replace old plant. More than 70 per cent of CEGB capacity is 15 years old or more, and the CEGB currently predicts a need for some 13 Gigawatts (1 Gigawatt = 1,000 megawatts – MW) of new capacity by the year 2000, equivalent to a quarter of its present declared net capability. Generators will also have incentives to fuel and run their stations efficiently, to ensure that their power stations are available, and to purchase coal and other fuels from the most competitive sources.

Choice in Generation

The distribution companies will have a wide choice of sources of generation. They will be able:

1 to contract with the two new generating companies formed out of the CEGB's existing capacity;

2 to contract with existing private generators, and with new ones that enter the market once they see that fair and effective access has been introduced;

3 to generate themselves, or enter into joint ventures;

4 to obtain supplies from Scotland, France and elsewhere, with existing links being strengthened or new links being built.

The companies will also have to bid for part of their business in a competitive environment, and adjacent companies could be competing to supply large users near their common borders, who will also be able to buy direct from generators, bypassing the distribution companies but using their transmission and distribution systems for 'common carriage' of the electricity. There will also be scope for further competition in the building and operation of new power stations.

Security of Supply

Protection against fuel supply interruptions is best achieved by using a number of fuels from which to generate electricity. Maintaining high stocks of fuel can also provide protection. But too much reliance on fossil fuels would increase the electricity industry's exposure to future substantial movements in prices of the kind witnessed in the last 15 years. Renewable sources of energy will play their part, but there remains a 'vital strategic need for the significant non-fossil-fuelled contribution that can only be made by nuclear power' (see pp 65-7 and 104-5, 1987). The Government is determined that public confidence in the nuclear programme should be maintained, that standards of safety and environmental protection will continue to be vigorously enforced and that the safety of workforce and public will have the highest priority.

By leaving the existing nuclear stations in the hands of a substantial company which will inherit the CEGB's nuclear resources, the new structure will ensure continuity and high standards in the management of the nuclear programme. The Government is satisfied that the pressurised water reactor can provide nuclear energy safely. The decision to proceed with that at Sizewell B (Suffolk) was taken only after careful independent assessment of the issues and exhaustive examination of its design. Construction and operation of any future nuclear station will be subject to receiving the necessary safety, planning and other consents.

The legislation to privatise the industry, to be introduced at the earliest opportunity, will provide for a statutory obligation on the distribution companies to contract for a specified minimum proportion of non-fossil-fuelled generating capacity, which the Government will have power to vary after consultation with the industry.

Regulation and Consumer Protection

Regulation

Even after privatisation, the supply activities of the distribution companies and the national grid company will remain, in large part, natural monopolies. An effective regulatory regime, based on a system of price control, will therefore be established by legislation, to promote competition and to safeguard the interests of customers. Responsibility for supervising regulation will rest with a Director General of Electricity Supply, who will enforce the provisions of licences issued to the industry. Terms for allowing private generators access to the transmission and distribution systems to supply large customers direct will be closely regulated.

Customer Protection

The Electricity Supply Regulations, which lay down the procedures and standards that public electricity suppliers have to observe on safety and quality of supply, are being revised and brought up to date. An Electricity Supply Code will set out the basic statutory right of customers to receive a supply of electricity and the duties of public electricity suppliers in providing that supply. Arrangements for maintaining an effective voice for customers' interests will be made to ensure that none of the benefits of the existing customer representation by electricity consultative councils and electricity consumers' councils are lost.

Standards of Service

The legislation will create a new system of guaranteed standards of service, to be overseen by the Director General of Electricity Supply. Defined levels of service will be set by the Director General after discussion with the distribution companies. Where companies fail to meet these levels of service, customers will receive a predetermined level of financial compensation.

WHITE PAPER FOR SCOTLAND[1]

Privatisation of the Scottish electricity supply industry, says the White Paper, will transfer control of its investment needs from Whitehall to Scotland; create 'two major new Scottish companies giving a major boost to the Scottish private sector'; and provide an 'important new opportunity for the employees in the electricity industry, for Scottish institutions and for the Scottish public as a whole to acquire a major stake in the ownership of Scottish industry'.

Present Structure of the Industry

The supply of electricity in Scotland is the responsi-

[1] *Privatisation of the Scottish Electricity Industry*. Cm 327. HMSO, £2·80. ISBN 0 10 103272 2.

bility of two regional, vertically integrated boards, each generating, transmitting and distributing electricity. The South of Scotland Electricity Board (SSEB), serving the region generally south of a line from the Firth of Tay to the Firth of Clyde, supplied in 1986-87 some 74 per cent of the electricity consumed in Scotland to 1·7 million customers. The North of Scotland Hydro-Electric Board (NSHEB), serving the rest of Scotland, including the island groups, supplied 26 per cent to 585,000 customers. It has a unique statutory obligation to collaborate with any interested agency on measures for the 'economic development and social improvement of the North of Scotland'.

bution system) where geography and climate exert a stronger influence on operations than on any other electricity board in Britain. They impose heavy demands on the board's equipment and facilities, and have major implications for the maintenance programme. The availability of hydro-electric power with low running costs is, however, a benefit, enabling the board to meet its high distribution costs without imposing a heavy financial penalty on consumers.

Scotland's diversity of electricity sources is unique in Great Britain, allowing it to vary plant and fuel use to produce electricity at the cheapest prices available, and its forecast surplus for 1989-90 is

Generating Plant in Scotland at March 1987

Output capacity in MW

	SSEB	NSHEB	Total
Hydro-electric	125	1,060	1,185
Nuclear	1,450	–	1,450*
Coal	3,831	–	3,831
Slurry	57	–	57
Oil	1,926	–	1,926
Oil/gas	–	1,284	1,284
Gas turbine/diesel	55	177	232
Pumped storage	–	700	700
Total	7,444	3,221	10,665

*This figure does not include the advanced gas-cooled reactor at Torness (see below).

Generation

Each board operates its own generating plant and each has a range of stations using different fuel types. Although the two boards are independent, the Scottish system works under the terms of the Joint Generating Agreement of 1965, under which the generation plant is operated in a single merit order and plant reserves are shared, and through which the boards also share generation and transmission costs and co-ordinate the operation and planning of the system on a joint basis. This agreement has advantages in minimising running costs, but does not provide satisfactory incentives to the individual management of each board to increase efficiency or profitability or to account for investment decisions.

Transmission and Distribution

The main SSEB transmission system comprises 400 kV and 275 kV lines linking the power stations and principal areas of demand. In the NSHEB area, a 275 kV line extends to Dounreay (Highland) and acts as the backbone of the system. Within each board, use is also made of 132 kV lines, particularly in rural areas. The Scottish system is linked to the English grid at two points, Stella (Northumberland) and Harker (Cumbria). The Government recognises the importance of the geographical aspects of the NSHEB area (including two densely populated districts around Aberdeen [Grampian] and Dundee [Tayside], and a large, mountainous and sparsely populated land mass which requires a costly distri-

some 4,000 MW,[1] making it unlikely that any new generating plant will be required until early in the next century. The high proportion of nuclear capacity includes the advanced gas-cooled reactors (AGR) at Hunterston B (Strathclyde) and Torness (Lothian), the latter soon to come into operation; these will be capable of meeting over 70 per cent of the SSEB's energy requirements and 50 per cent of those of the whole of Scotland.

Future Structure of the Industry

The Government has considered a number of essential objectives.

1 The industry must be operationally and financially viable, capable of delivering a secure and reliable supply of electricity at minimum cost and of attracting and retaining investors.

2 There must be a balanced mix of generating plant available to each part of the industry, capable of exploiting a diverse range of fuels.

3 There must be proper incentives to efficiency, of which competition is the most important, and full and fair opportunity for competition with other forms of energy.

4 The industry's tariff structure must be clearly and explicitly published.

5 The industry must maintain its present high standards of safety.

[1]Maximum demand 6,089 MW, plus reserve; installed capacity 11,741 MW.

6 There should be scope for independent private generators to play a full role.

7 The excellent industrial relations record must be maintained and the interests of all the staff respected.

Against these criteria, the Government considers the most appropriate structure for the privatised Scottish industry to be two vertically integrated, regionally based companies, one based on the SSEB, the other on the NSHEB, as having particular advantages in sparsely populated areas, such as the Borders, Dumfries and Galloway, and the Highlands and Islands. Both companies will be offered for sale as soon as possible after parliamentary approval and Royal Assent for the Government's proposals.

The Government rejects the creation of a single monopoly company. This would, it considers, ignore regional diversity, require heavy regulation, and be inconsistent with its objective of maximising competition and therefore contrary to consumer interests.

Competitive pressures for the two privatised companies will come through competition by comparison (see p 113). The regulator (see p 115) will be able to compare overall performance and particular parts of management and cost structure.

Reorganisation

The Government has concluded that Scottish generating assets are not ideally distributed between the two boards so as fully to meet the essential objectives listed above. It considers that two commercially sound independent companies can be established through a modest reallocation of assets between the existing boards. The Government will ensure that neither company has an undue competitive advantage in the areas where there is scope for competition between them.

The principles underlying the restructuring will be that:

1 security and stability of supply are maintained;

2 there should be a sharing of the benefits and costs associated with nuclear assets between the two companies;

3 each company should have a balanced set of generating assets which will protect it from fuel price fluctuations and provide sufficient operational flexibility in relation to demand and customer base;

4 each company should be capable of independent operation at acceptable cost;

5 the opportunity for trading with England and Wales should be available to both companies and full scope should be available to exploit the excess Scottish generating assets;

6 disruption in the industry should be minimised.

At the technical level the transmission system of the two companies will be interlinked and will have to be co-ordinated, this being in part necessary because of future regular exchanges of bulk nuclear power. There will be a strong incentive towards co-operation in such matters as the sharing of immediately available reserves and co-ordination of maintenance schedules, which will help minimise total system costs.

Nuclear Power

The Government considers it vital that the privatised Scottish industry should consolidate the SSEB's impressive record as an operator of Magnox and AGR stations. It also considers that the benefits of nuclear power must continue to be available to all Scottish consumers. The SSEB's nuclear stations, however, must continue to be under the control of one operator, whose responsibility for safety, and technical excellence and successful and sustained performance, are clearly established. The Government therefore proposes that the nuclear stations should be owned jointly by the two companies, each receiving its proportionate share of the benefits and meeting a similar share of the associated costs. Various other means of achieving joint ownership are possible, including the creation of a joint nuclear subsidiary, whose shares would be wholly owned by the two companies in proportion to their size, and the Government intends to explore the range of options further with the industry, in consultation with the Nuclear Installations Inspectorate, before reaching a final decision. The White Paper makes it clear that change of ownership will in no way compromise the maintenance and enforcement of safety standards.

Special Character of the NSHEB

Bearing in mind the major contribution made by the NSHEB to the economic and social development of its area, particularly in providing secure supplies to remote consumers and applying common tariffs, the Government considers that the successor company should be required to maintain this policy.

Scotland's Place in the Great Britain System

The White Paper says that the industry has an excellent opportunity to establish firm trading arrangements with the English and Welsh industry, which needs substantial new capacity by the year 2000. The Government will examine urgently with the industry the scope for strengthening the interconnecting links between the two systems so that trading can be maximised.

Regulation

After privatisation the electricity industry in Scotland will remain largely monopolistic in respect of its distribution and transmission activities, although there will be scope for eventual competition in generation. The regulatory regime under the Director General of Electricity Supply (see p 115) will apply to the whole of Great Britain, but will take account of the characteristics of the Scottish industry. Separate licences will be issued to each company, the terms of which will regulate the prices which can be charged for electricity and specify certain terms and conditions of supply.

An important area of regulation will be the terms of access to the transmission and distribution systems of the two licensed utilities, to ensure that private generators can use their systems to supply customers direct and obtain back-up and top-up supplies at reasonable cost. There will be an operational requirement on each company to provide access to the other, which will help establish clear and fair common carriage arrangements.

Other Provisions

Provisions relating to customer protection, standards of service, and share ownership follow the same principles as those outlined in the White Paper for England and Wales (see p 114).

HOUSE OF COMMONS DEBATE

Government View

In a debate in the House of Commons on 7 March, the proposals set out in the White Papers were approved by 326 votes to 218 (*Hansard*, Vol 129, No 109, cols 49-128). Mr Parkinson said that the new structures would take at least two years to put in place and would be a framework in which a modern industry would develop, shaped by customer needs. In 1987, he said, the CEGB's bill to the 12 area boards in England and Wales came to some £7,000 million, three-quarters of the bill the area boards passed to the customers. Several times that figure could be spent on building new power stations by the end of the century, and competition had to be introduced to keep costs down. The distribution companies, with turnovers between £500 million and £1,500 million each in 1986-87, would be among the largest private sector companies in their region, and would 'become a force for development in their local economies'.

Privatisation in England and Wales would create 15 private sector companies, with more than 130,000 employees and a combined income of £10,000 million; in Scotland, two companies with more than 15,000 employees and an income of £1,200 million.

Opposition Views

For the official Opposition, Mr John Prescott said that privatisation would be an unjustifiable experiment with a successful public utility, the most integrated and secure electricity supply industry in any developed economy. It had trebled its production in 30 years and in the last 50 years had increased prices by a factor of nine, a sixth of the increase in fuel costs and half that in the cost of living.

For the Liberal Party, Mr Matthew Taylor said that the power of monopoly would still remain in the larger successor to the CEGB, which would have 70 per cent of its former capacity. The privatisation of nuclear power posed questions, such as the responsibility for the decommissioning of nuclear power stations and insurance in the nuclear industry, that the Government had not answered.

Britoil

The Government has announced that it will not exercise its special share to prevent the British Petroleum Company (BP) from taking control of Britoil, in return for undertakings given by BP to the Government in relation to North Sea exploration and guarantees of employment in Scotland.

Background

Britoil was formed in 1982, inheriting the exploration and production assets of the British National Oil Corporation, and was privatised later in the same year (see pp 364-5 and 416, 1982) when the Government sold half the shares. In 1985 the Government sold its residual 48·8 per cent holding (see p 200, 1985), although it retained a special, or golden, share to prevent any unwanted change of control.

Britoil is Britain's fourth largest producer of oil and gas and a major explorer in the North Sea, operating four offshore oilfields and maintaining interests in seven others and in three gasfields. It is involved in the development of six oil and gas fields, manages the Nigg terminal in the Cromarty Firth (Highland), has exploration interests in 13 countries, and employs some 1,700 people, 98 per cent of them in Scotland. During 1982-86 it increased production of oil from 54 million to 66 million barrels a year and of gas from 2,237 million cubic metres (79,000 million cubic feet) to 2,747 million cubic metres (97,000 million cubic feet). In the period 1982-87 the company's capital expenditure in Britain, including exploration, amounted to some £2,000 million.

The Government sold its remaining shares in BP, Britain's largest company, in 1987 (see pp 370-1, 1987).

Chancellor's Statement

In a statement on 23 February (*Hansard*, Vol 128, No 100, cols 149-50) the Chancellor of the Exchequer, Mr Nigel Lawson, reminded the House of Commons that, following BP's acquisition of the majority of Britoil's ordinary shares (*Hansard*, Vol 126, No 84, cols 703-8), he had reaffirmed on 1 February that the Government would use the power of its special share if it should be in the national interest to do so. After discussions, an arrangement acceptable to the Government had been concluded and the details set out in an exchange of letters between BP and the Treasury.

BP, Mr Lawson said, had undertaken to achieve an increase of at least 5 per cent in recoverable reserves from Britoil's North Sea oilfields and to increase exploration substantially, with plans to spend between £300 million and £325 million a year by 1990 on combined BP and Britoil North Sea operations, compared with about £200 million in 1987. It had also undertaken to develop as fast as practicable all economic North Sea discoveries operated by BP and Britoil. Britoil's Glasgow office would become the business headquarters for the management not only of BP's and Britoil's British production assets, but also of BP's Norwegian and Irish interests, and the number of employees in Aberdeen [Britoil's operational centre for oil exploration, appraisal and production activities in the north and central areas of the United Kingdom Continental Shelf – UKCS] and Glasgow would not fall as a result of the acquisition.

A further undertaking was the transfer to Glasgow of the management of a high technology research and development project for the exploitation of the deeper waters of the UKCS, involving the move of a minimum of between 50 and 75 senior BP executives and qualified technical graduate staff to Scotland. BP would also endow a number of research fellowships in Scottish universities. The appointment to the Britoil board of a non-executive chairman without previous BP connections would be agreed between the Government and BP.

Should BP, the Chancellor continued, which currently owned some 80 per cent of Britoil's ordinary shares, finish with less than a 100 per cent shareholding, the same assurances and arrangements would apply, consistent with the obligations owed to Britoil's minority shareholders. Britoil would then be managed and run as a separate, independent subsidiary and would have its own chief executive. As long as it was satisfied that BP was complying with these assurances, he concluded, the Government 'do not intend to exercise any of the rights attaching to the special share. After a period of time the Government will review, in the light of the way that these assurances have operated, when the special share should be redeemed. Meanwhile, responsibility for the special share will be transferred from the Treasury to the Department of Energy.'

Shorter Notes

SOVIET EXPORT ORDER

One of the largest ever orders placed in Britain by the Soviet Union has been won by Simon-Carves of Stockport, Cheshire. The company has completed the formalities on a contract, worth some £260 million, agreed with Technopromimport, the Soviet foreign trade organisation, in December 1987.

The order is for the building of a large industrial complex at Yerevan, Armenia, to produce programmable logic controllers. The plant, which will use technology from GEC Industrial Controls, is scheduled for completion in the first half of 1991.

Source: Department of Trade and Industry press notice, 3.3.88

POLICY ON MERGERS

The Government has published a policy document containing details of its review of mergers policy.[1] Interim conclusions had been announced in October 1987 (see p 382, 1987) and the remaining conclusions in the White Paper *DTI – the department for Enterprise* in January (see p 56).[2]

Announcing its publication in the House of Commons on 3 March, the Minister for Corporate and Consumer Affairs, Mr Francis Maude, said that the paper set out three major proposals for change: a formal – but voluntary – procedure for pre-notification to the Office of Fair Trading (OFT) of intended mergers; a provision for legally binding undertakings to be given in certain cases without a reference to the Monopolies and Mergers Commission (MMC); and a statutory charge to cover the costs of the improved process of control.

The policy document says that the main advantages of pre-notification are that it can be used to prevent mergers being completed before the authorities have had an opportunity to investigate and that it can be linked to a requirement to supply relevant information. In straightforward cases, pre-notification will permit a merger to be automatically cleared within four weeks provided it has been publicly announced. The chief disadvantage is that it creates an additional burden for business and the authorities.

Some mergers pose a threat to competition which is obvious even from a cursory examination but which may be removed by some modification of the arrangements. The parties are often willing to make such a change. Accordingly, the document puts forward provisions for statutory undertakings as an alternative to investigation by the MMC.

Improvements in the speed and quality of merger control involve resource costs at both the OFT and MMC; hence the proposed charge. Details remain to be settled: one possibility is a fee payable by the acquiring company.

Special provisions apply to newspaper mergers. The existing arrangements specify a fixed period of three months for the MMC's report. The White Paper indicated a two-month period as a general rule. The present document says that the new approach should mean a reduction in the number of cases in which financial urgency dictates that a merger goes ahead without reference to the MMC.

Sources: *Mergers Policy: A Department of Trade and Industry Paper on the policy and procedures of merger control.* Department of Trade and Industry. HMSO, £4·30. ISBN 0 11 513999 0; *Hansard*, Vol 128, No 108, written answers, cols 644-6.

RENEWABLE SOURCES OF ENERGY

The Government has increased the budget for research and development into renewable sources of energy by some £2·3 million to over £16 million for 1988-89.

On 23 February, the Parliamentary Under-Secretary of State at the Department of Energy, Mr Michael Spicer, announced that £3 million would be allocated to research into passive solar energy (see p 354, 1985), part of the Department's programme to encourage the wider use of solar features in energy efficient building design. Projects in this sphere funded by the Government now totalled 36, worth some £6 million, and involved many leading architectural practices and schools of architecture.

On 3 March, Mr Spicer announced an extension to the hot dry rocks project at Camborne in Cornwall (see p 235, 1983, pp 354-5, 1985, and p 234, 1986), worth £8·15 million, over the next three years. This extension would take the project, on which over £25

[1]Mergers may be investigated by the Monopolies and Mergers Commission, an independent body, at the request of the Secretary of State for Trade and Industry, if the merger would result in or intensify a monopoly or if the gross value of the assets to be taken over would exceed £30 million. A monopoly situation is where one person, company or group of interconnected companies supplies or acquires at least one-quarter of the supply of specified goods or services in Britain; or where two or more unconnected persons do this and conduct their affairs in any way to prevent, restrict or distort competition.

[2]For further information, see COI reference paper *Competition Policy in Britain*, No 252/86.

million had been spent since 1977 and where a potential resource of between 750 and 3,000 Terawatt hours had been identified, to the stage where the commercial prospects for this type of electricity generation could be judged and exploration could be planned. If prospects were good, he said, an industrial consortium would be formed to establish a power station and market the electricity.

The three-year programme would include: experimental work at Rosemanowes on the existing reservoir of fractured hot dry rock at a depth of 2 km (over 1 mile) to help test the feasibility of techniques required to create a commercial system in a new reservoir approximately 6 km (4 miles) deep; an initial design study for a 6-km-deep system in collaboration with industry; and supporting technical and economic studies elsewhere.

Sources: Department of Energy press notices, 23.2.88 and 3.3.88; *Energy Management*, January 1988.

SECOND ONSHORE PETROLEUM LICENSING AWARDS

On 3 March the Minister of State for Energy, Mr Peter Morrison, announced details of 60 new-style exploration licences for blocks in England, Scotland and Wales to 73 companies in the second onshore petroleum licensing awards (see p 139, 1984, and p 214, 1987). The second onshore licensing round was launched in 1987, with 78 applications for standard blocks of 10 by 10 km (6 by 6 miles) based on the Ordnance Survey grid.

Exploration licences allow the licensee to search and bore for petroleum and are valid for six years. They do not confer a right of entry into land and the owner's or occupier's permission is required. All land operations are subject to local authority planning permission and in coastal waters additional conditions are imposed on licensees to ensure that local interests are taken into account before operations are undertaken. In the event of discovery, the operator must apply for a licence to conduct a full appraisal of commercial potential. If the discovery is judged to be commercial, a full development licence will be needed before the field can be brought into production and the relevant planning legislation must also be satisfied.

Mr Morrison said that he was pleased by the response, which demonstrated that there was still 'keen competition for acreage in the most prospective areas of the country'. A significant number of applicants were prepared to explore in new areas, while the round also included many smaller companies, some of them new to onshore exploration. The arrangements struck the best compromise between the need to develop a vital national resource and the need to ensure that local interests and the environment were harmed as little as possible. 'The oil industry has an excellent record of consulting and taking into account the views of local people and I have every expectation that it will continue to meet the high standards it has set itself.'

Sources: *Hansard*, Vol 128, No 108, written answers, col 650; Department of Energy press notice, 3.3.88.

RESTRICTIONS ON NIGHT FLIGHTS

Details of future restrictions on night flying at London's Heathrow and Gatwick airports, which would take effect on 1 April, were announced by the Secretary of State for Transport, Mr Paul Channon, in the House of Commons on 10 February. They follow broadly the proposals put forward in November 1987 (see p 419, 1987) with the additional proviso that the quotas at Gatwick would be reconsidered after two years if monitoring showed that noise disturbance was increasing.

Mr Channon said that his objective was to improve the night noise climate around the airports without imposing unnecessary restrictions on the airline industry. His predecessors had set restrictions designed to phase out the noisiest aircraft, and this had now been achieved, with benefits for those living around the airports. There was now the opportunity to build on these achievements by giving airlines an incentive to replace their older, noisier aircraft by modern, quieter types which made substantially less noise (particularly on take-off) and so could be used at night with much less disturbance.

At Heathrow he could achieve his objective by keeping the number of flights to the present level, which was below the previous quota. There were very few planned departures by aircraft in the middle of the night and he would require that these should be by modern, quieter aircraft.

At Gatwick he was determined that night noise disturbance should be reduced over the next five years and he was adopting the preferred option which would involve reducing flights by older, noisier aircraft while increasing those by quieter aircraft, resulting in a very small annual increase in the total number of flights. The noise climate and the noise of individual aircraft would be monitored to ensure that the benefits of quieter aircraft were realised. It was important that people should have confidence in the monitoring, and he therefore intended to conduct it more openly by inviting the airport consultative committees to nominate representatives of local people to sit with representatives of the airline industry on an advisory committee to consider all aspects of monitoring. He expected that disturbance from night flights at Gatwick would lessen, but if after the summer season of 1989 it was apparent that disturbance was worsening, the quotas would be revised accordingly.

Source: *Hansard*, Vol 127, No 92, written answers, cols 247-8.

RESEARCH EXPENDITURE AND EMPLOYMENT

The Department of Trade and Industry has published the results of its survey of expenditure on and employment in industrial research and development (R & D) in Britain in 1986. The sample included 74 enterprises which, in 1985, accounted for some 75 per cent of total R & D expenditure. The survey took into account research expenditure on science and technology by industry, public corporations,

industrial research associations and private research laboratories.

At £5,673 million, total spending in 1986 was more than 7 per cent higher in real terms than in 1985, with increases in almost all product groups. Spending in the non-electronic part of electrical engineering rose particularly sharply – by almost 17 per cent – while spending in aerospace increased by over 10 per cent and that in electronics by some 8 per cent. Spending in the mechanical engineering sector fell slightly.

In 1986 the Government provided 23 per cent of the funds for industrial R & D, overseas sources 13 per cent and industry the remaining 64 per cent. These shares were little changed from 1985.

Capital items accounted for a little under one-tenth of total expenditure in 1986 and current items (including salaries and wages) for the remainder. Again, the proportions were almost the same as in the previous year.

Total employment rose slightly between 1985 and 1986, when the average for the year was 174,000. Scientists and engineers accounted for 48 per cent, technicians, laboratory assistants and draughtsmen for 27 per cent and administrative, clerical, industrial and other staff for 25 per cent.

Source: *British Business,* 5.2.88, pp 28-9.

EUROPEAN CO-OPERATION ON SUPERCONDUCTIVITY

New measures to enhance the effectiveness of European research into high temperature superconductivity (see p 26)[1] were announced in February. They were agreed at a meeting in Paris of representatives of the Science and Engineering Research Council and research institutes from France, the Federal Republic of Germany and Italy.

The measures related to the exchange of information on research priorities, funding and personnel; the organisation of regular scientific workshops; the early dissemination of research findings; and a European basis for the refereeing of research proposals.

Source: Science and Engineering Research Council press notice, 25.2.88.

[1]Superconductors are materials that offer zero resistance to electrical current at certain temperatures (see p 302, 1987, for a fuller explanation).

ENVIRONMENTAL POLLUTION

The twelfth report of the Royal Commission on Environmental Pollution, examining the principles and practice of pollution control in general, was published on 24 February and is the Commission's contribution to the European Year of the Environment 1987-88. It explains how pollution control measures can be developed which take account of risks to the whole environment – air, water and land – and not just one element in isolation. It suggests a procedure for finding the 'best practicable environmental option' when projects affecting the environment are being planned.

The report points out that pollution controls for air, water and land have developed separately, but that solving one problem often creates another; the effects on the whole environment must be looked at when dealing with environmental problems. It advocates a precautionary approach for those introducing new developments and industrial processes, advising them to try to anticipate the effects of such measures on the environment, and to take appropriate precautions. A full range of options for pollution control should be assessed at the earliest stages of developments to find the best option, and the cost of pollution control should be balanced against the protection of the environment. The report stresses that decisions on environmental issues should be made openly and involve those affected; an 'audit trail' – a record of the choices or decisions made at each stage – should show how decisions were reached.

Among the possibilities which should always be looked at when selecting the best practicable option are low pollution technology, recycling rather than disposal, and alternative waste disposal routes. Decisions should be based on what is 'practicable', but should always be kept under review as circumstances change and new technology becomes available.

The Royal Commission on Environmental Pollution was established as a standing body in 1970, to advise on matters, both national and international, concerning pollution of the environment. The idea of the 'best practicable environmental option' emerged from its fifth report, *Air Pollution Control: an Integrated Approach,* in 1976 (see pp 83-5, 1976), and has been developed in subsequent reports from the Commission.

Source: *Royal Commission on Environmental Pollution. Twelfth Report: Best Practicable Environmental Option.* Cm 310. HMSO, £6·90. ISBN 0 10 103102 5.

SOCIAL AND CULTURAL AFFAIRS

Inner Cities Policy

The Government has announced 12 initiatives aimed at furthering the renewal and regeneration of the inner cities.

Details were given in a statement in the House of Commons on 7 March by the Minister of Trade and Industry, Mr Kenneth Clarke (*Hansard,* Vol 129, No 109, cols 28-9). He said that the new measures would build on the programmes and initiatives introduced since 1979 to tackle urban dereliction and inner city decay[1] and to raise skills and encourage enterprise. About £3,000 million would be spent on urban regeneration in Britain in 1988-89, bringing in several times that total in private investment. A guide to the Government's inner city policies – 'Action for Cities' – had been published.[2]

The initiatives are as follows:

1 A new urban development corporation (see p 23) will be established in Sheffield. It will cover 810 hectares (2,000 acres) to the north-east of the city centre, in the Lower Don valley, and have a budget of about £50 million over seven years.

2 The area of the Merseyside Development Corporation is to be doubled by adding 320 hectares (800 acres) on both sides of the river Mersey. The enlarged corporation could spend between £50 million and £90 million over eight to nine years in the new areas.

3 Two new city action teams are to be set up in Leeds and Nottingham, in addition to the five established in 1985 (see pp 83-4, 1985) to co-ordinate government programmes of support for enterprise and development in their areas.

4 A new simplified grant – City Grant – will be introduced from May 1988 to support private sector development in inner cities, replacing urban development grant (see pp 37 and 111-12, 1983) and urban regeneration grant (see p 101, 1986).

5 Efforts to bring unused and under-used inner city land onto the market will be given new impetus with a requirement that information on land in public ownership be published.

6 Two new road projects, directly benefiting inner cities, will be undertaken at a cost of £109 million: the A13 between Limehouse and Dagenham (providing links to the London Docklands) will be improved, and a spine route made through the Black Country (in the West Midlands) to the M5 and the M6.

7 Crime and the fear of crime will be tackled with a major new initiative to be introduced in 20 inner cities over the next three years. Some £2·3 million will be made available in the first year to support the initiative, which has been successfully piloted in five urban areas.

8 There will be more help for small businesses, including new offices for the small firms service (see pp 279-80, 1987), a fund to support local enterprise agency projects helping businesses, an 85 per cent guarantee on bank loans to firms in task force areas, and help to encourage people into self-employment.

9 The Manpower Services Commission (MSC) will give financial and other support to 12 inner city employer-school 'compacts', under which groups of employers work with schools to guarantee a job with training for all school-leavers aged 16 to 18 who meet agreed motivation and achievement standards.

10 Unemployed people in inner cities will receive more help through new information points to guide people on training and jobs, and more MSC and employment staff working in local communities; special training in literacy and numeracy and English as a second language will also be provided. There will be new measures to increase the involvement of employers in training.

11 More premises will be provided for new business in rundown inner cities: English Estates,[1] in partnership with private sector companies, will set up managed workshops, offering workspace and shared services on reasonable terms. The programme will receive £11 million of public funding in the first year.

12 The Government will develop its efforts to work closely with the private sector. Ministers will be participating in a series of regional meetings with business leaders, starting in Newcastle upon Tyne in April, and a free telephone link has been set up as a point of contact for businesses wishing to participate in the development of the inner cities. Three major private sector developments, including a joint initiative from Britain's 11 largest construction and engineering companies, aimed at furthering the regeneration of the inner cities, have been commended by the Government.

[1]For information see COI reference paper *Industrial Regeneration in Britain's Cities,* No 263/86.

[2]*Action for Cities.* Available unpriced from the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

[1]The government-funded body which, often in association with the private sector, provides factories in the assisted areas.

Shorter Notes

HOUSING CORPORATION FOR WALES

The Secretary of State for Wales, Mr Peter Walker, announced on 9 February that a separate Housing Corporation is to be set up for Wales, following consultations with representatives of the housing association movement, local authorities and other interested parties in Wales. Provisions to enable its establishment will be included in the Housing Bill currently in committee stage in the House of Commons (see pp 428-30, 1987).

The proposed body will fund and oversee the activities of the housing association movement in Wales, taking over the functions previously carried out by the Housing Corporation in London. Since 1974 the housing association movement in Wales has grown to almost 100 associations, managing nearly 20,000 dwellings, and the Government expects it to be the major provider of social rented housing for the future. At present the Housing Corporation, which will spend over £60 million on its programme in Wales in 1988-89, has no specific machinery for considering Welsh priorities and programmes.

Under the proposals in the Housing Bill, the role of the Housing Corporation will be even more important in the future. It will be given more responsibility in the administration of financial assistance to housing associations, and there will be a new financial regime for the housing association movement to enable it to provide more new homes for a given level of public expenditure, by using a greater proportion of private finance. New landlords chosen by local authority tenants, under the proposals to enable them to transfer their homes, will have to be approved by the Corporation.

Source: Welsh Office press notice, 9.2.88.

UNITARY DEVELOPMENT PLANS

Regulations establishing a new system of unitary development plans for London and the other metropolitan areas in England came into force on 29 February.[1] Unitary development plans, to be prepared by each metropolitan district, will eventually replace in these areas the present two-tier system of structure plans (drawn up by county planning authorities and containing broad policies for land use) and local plans (normally prepared by district planning authorities and providing detailed guidance on land use).

A unitary development plan will provide the framework for development, development control and conservation in the whole of an authority's area. Policies and proposals in the plan will usually be for a period of ten years. The plan will be in two parts: part I will provide a broad development and land use strategy for the area, taking into account current national and regional policies and any strategic guidance issued by the Secretary of the State for the Environment; part II will contain more detailed development control policies and proposals for the use of land. Both parts will be prepared together. A unitary development plan will not require the Secretary of State's approval unless he or she calls in the plan, in whole or in part, for a decision.

The new planning system for metropolitan areas is being introduced under the Local Government Act 1985 (see pp 5-7, 1985, and pp 108-9, 1986), following the abolition in 1986 of the Greater London Council and the metropolitan county councils in Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire. The Secretary of State will issue strategic guidance for metropolitan authorities, which will provide a framework for the preparation of their unitary plans. Commencement orders will then be made to bring the provisions of the 1985 Act into force on an approved day. West Midlands authorities will be the first to prepare unitary plans under the first order which took effect on 29 February.

Source: Department of the Environment press notice, 22.2.88.

[1] *Town and Country Planning (Unitary Development Plans) Regulations 1988.* SI 1988/139. HMSO, £2·60. ISBN 0 11 086139 6.

SPORT FOR DISABLED PEOPLE

A major review of the sporting needs of and opportunities for people with disabilities is to be carried out by a group of leading sports administrators and athletes under the chairmanship of the Minister for Sport, Mr Colin Moynihan. The group will make a detailed study of existing sports facilities for disabled people, future provision, funding and arrangements for overseas representation. It will also consider the British team's performance at the Paralympic Games to be held in Seoul, Korea, in October, and will report its findings to the Government after this event.

Source: Department of the Environment press notice, 23.2.88.

Government and Administration

Electoral Statistics 1987. Presents statistics on parliamentary and local government electors in the 1987 electoral register. HMSO, £4·10. ISBN 0 11 691196 4.

The Control of Firearms in Britain: New Proposals. (Reproduced from *Survey of Current Affairs.*) COI, No 305/88.

Fire Statistics United Kingdom 1986. Available from the Home Office Statistical Department, Room 1834, Lunar House, 40 Wellesley Road, Croydon, Surrey CR0 9YD. HMSO, £4·50. ISBN 0 86252 318 4.

External Affairs and Defence

Exchange of notes between the Government[s] of the United Kingdom . . . and . . . the Union of Soviet Socialist Republics on inspection rights relating to the treaty between the United States . . . and the Union of Soviet Socialist Republics on the elimination of their intermediate-range and shorter-range missiles. London, 21 December 1987 (see pp 9-11). Cm 311 (Soviet Union No 1 [1988]). HMSO, £1·60. ISBN 0 10 103112 2.

Agreement between the Government[s] of the United Kingdom . . . and the . . . Union of Soviet Socialist Republics on the improvement of the direct link between the residence of the Prime Minister and the Kremlin. 31 March 1987 (see pp 125-6, 1987). Cm 190 (Treaty Series No 34 [1987]). HMSO, £1·30. ISBN 0 10 101902 5.

The Falkland Islands and South Georgia and the South Sandwich Islands. COI, No 152/88.

Economic and Scientific Affairs

Economic Trends Annual Supplement 1988 Edition. Brings together long runs, some as far back as 1946, of monthly, quarterly and annual data for key series of economic statistics. Central Statistical Office. HMSO, £12·50. ISBN 0 11 620275 0.

Local Government Finance in Britain. (Reproduced from *Survey of Current Affairs.*) COI, No 302/88.

The Government's Expenditure Plans 1988-89 to 1990-91 (see p 49). Second Report from the House of Commons Treasury and Civil Service Committee, Session 1987-88. Cm 288. Together with the Proceedings of the Committee, Minutes of Evidence and Appendices. HMSO, £6·30. ISBN 0 10 229288 4.

Britain's Public Expenditure Plans 1988-89 to 1990-91. (Reproduced from *Survey of Current Affairs.*) COI, No 240/88.

Training for Employment (see p 108). Cm 316. Department of Employment. HMSO, £5. ISBN 0 10 103162 9.

Review of Restrictive Trade Practices Policy. Department of Trade and Industry. Cm 331. HMSO, £5. ISBN 0 10 103312 5.

Mergers Policy: A Department of Trade and Industry Paper on the policy and procedures of merger control (see p 119). Department of Trade and Industry. HMSO, £4·30. ISBN 0 11 513999 0.

Industry in Britain: the Government's Enterprise Strategy. (Reproduced from *Survey of Current Affairs.*) COI, No 304/88.

Britain's Chemical Industry. COI, No 294/87.

Tourism in Britain. (Reproduced from *Survey of Current Affairs.*) COI, No 300/88.

Agricultural and Food Research Council. Corporate Plan 1988-1993. Among the Council's priorities for the next five years are an increase in research in molecular biology and genetics, increased funding for horticulture and engineering research, and more attention to the environmental aspects of agricultural land use. Available unpriced from Agricultural and Food Research Council, 160 Great Portland Street, London W1N 6DT. ISBN 0 7084 0477 4.

Economic Report on Scottish Agriculture 1986. This is the seventh volume of a series which gives analyses of the financial performance of the agricultural industry in Scotland and the results of the agricultural censuses, together with price and crop yield statistics. Available from Scottish Office, Library Sales, Room 2/65, New St Andrew's House, Edinburgh EH1 3TG. £4. ISBN 0 7480 0048 8.

Welsh Agricultural Statistics No 9 1987. Contains detailed results of the June 1986 agricultural census. Available from Statistical Publications Unit, ESS 10, Welsh Office, Cathays Park, Cardiff CF1 3NQ. £3. ISBN 0 86348 489 1.

Storm Damage of October 1987. First Report of the House of Commons Agriculture Committee, Session 1987-88. Report and Proceedings of the Committee. HMSO, £2·90. ISBN 0 10 279788 9.

Report of the Director General of Gas Supply for the period 1 January to 31 December 1987. The regulatory framework set up to monitor British Gas (see p 14, 1986) has shown itself well up to the job and OFGAS has no need of additional powers, the Director General of Gas Supply says. He also discusses the powers available for the protection of domestic users, gas tariffs and competition, and outlines proposals for alleviating consumer difficulties in paying. HMSO, £5·10. ISBN 0 10 229388 0.

Privatising Electricity: the Government's proposals for the privatisation of the electricity supply industry in England and Wales (see p 112). Cm 322. HMSO, £2·80. ISBN 0 10 103222 6.

Privatisation of the Scottish Electricity Industry (see p 115). Cm 327. HMSO, £2·80. ISBN 0 10 103272 2.

Regulation of Heavy Lorries. House of Commons Committee of Public Accounts. HMSO, £3·90. ISBN 0 10 217088 6.

The Nation's Infrastructure: Airports. A report prepared by the National Economic Development Office on behalf of its Civil Engineering Economic Development Committee. Available from NEDO, Millbank Tower, Millbank, London SW1P 4QX. £12. ISBN 0 7292 0906 7.

Signposts to Success: Implementing Advanced Technology in Mining Machinery and Construction Equipment. This report by the National Economic Development Council highlights the challenge faced by British companies in world markets as competition increases. Case studies show that Britain has some of the best and most efficient manufacturers of mining equipment in the world. Available from NEDO Books, Millbank Tower, Millbank, London SW1P 4QX. £5. ISBN 0 7292 0892 3.

The Natural Environment Research Council. 1988 Corporate Plan. Provides an overview to the scientific community, including customers for commissioned research, of the means by which the Council proposes to discharge its obligation to undertake and support basic and strategic research in the sciences of the natural environment and to support the specialised training of manpower. Available unpriced from the Natural Environment Research Council, Polaris House, North Star Avenue, Swindon SN2 1EU. ISBN 0 901875 60 0.

Royal Commission on Environmental Pollution. Twelfth Report: Best Practicable Environmental Option (see p 121). Cm 310. HMSO, £6·90. ISBN 0 10 103102 5.

Social and Cultural Affairs

Key Population and Vital Statistics 1986. Local and health authority areas. England and Wales (Series VS no. 13, PPI no. 9). In 1986 almost 36 per cent (18 million) of the estimated population of England and Wales were resident in Greater London or in metropolitan districts. Seven per cent of the population (3·5 million) were resident in resort and retirement areas. Office of Population Censuses and Surveys. HMSO, £8·60. ISBN 0 11 691217 0.

Longitudinal study: social distribution of cancer: a report on the relationship between socio-demographic factors and the incidence of cancer, based on data collected in the OPCS Longitudinal Study: 1971-1975 (Series LS 3). Office of Population Censuses and Surveys. HMSO, £9·80. ISBN 0 11 691212 X.

Personal Social Services for Elderly and Younger Disabled Persons England 1976-1986. Department of Health and Social Security Statistical Bulletin 3/5/88 presents data covering residential accommodation provided in local authorities' and registered care homes as well as local authority day-care and community based services. Available at £2 from the DHSS, Information Division, Government Buildings, Honeypot Lane, Stanmore, Middlesex HA7 1AY.

Equal Treatment for Men and Women: Strengthening the Acts. Outlines new proposals to simplify and strengthen the existing sex equality laws and their enforcement. Available free of charge from the Equal Opportunities Commission, Overseas House, Quay Street, Manchester M3 3HN.

Action for Cities (see p 122). Available unpriced from the Department of Trade and Industry, 1 Victoria Street, London SW1H 0ET.

Report by the Minister for the Arts on Library and Information Matters during 1987. Office of Arts and Libraries. HMSO, £4·80. ISBN 0 10 233288 6.

Financing our Public Library Service: Four Subjects for Debate. A consultative paper on financing and developing public libraries in England. While emphasising the Government's firm commitment to the free basic library services (that is, reference services to all and book-lending to local people), the paper invites discussion of four developments: these are wider powers for libraries to charge for some services; joint ventures between local library authorities and the private sector; further moves to contract out elements of library services; and clarifying the present law on library authorities' power to charge. The Government intends to introduce legislation at the earliest opportunity. Cm 324. HMSO, £3·50. ISBN 0 10 103242 0.

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